

205 CMR: MASSACHUSETTS GAMING COMMISSION
UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL
CONTROLS

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GENERAL

138.01 Definitions

As used in 205 CMR 138.00 the following words and phrases shall have the following meanings unless the context clearly indicates otherwise:

Accounting Department is defined in. **138.xx**.

Annuity jackpot means

Annuity jackpot trust check means a check issued by an annuity jackpot trust, as defined in payment of winnings from an annuity jackpot. An annuity jackpot trust check shall be made payable only to the person presenting the check and shall not contain any other endorsements.

Asset number means a unique number permanently assigned to a slot machine and a slot cash storage box for purposes of tracking that machine and storage box while owned by a gaming licensee.

Authorized instrument means a cash equivalent, a casino check, a casino affiliate check, an annuity jackpot trust check or a replacement check.

Automated coupon redemption machine means any mechanical, electrical or other device which operates independently of a slot machine and which, upon insertion of a valid casino coupon or currency, dispenses an amount of coin or slot tokens equivalent to the face value of the coupon or currency, and which immediately upon exchange cancels the coupon.

Bank is defined in M.G.L. c.167B, §1.

Cage cashier is defined in **138.xx**.

Cage supervisor means any person who supervises personnel and functions within the cashiers' cage.

Cash means currency or coin.

Cash equivalent means a:

1. Certified check, cashier's check, treasurer's check, recognized travelers check or recognized money order that:
 - i. Is made payable to the gaming licensee where presented, a holding company of the gaming licensee, "bearer" or "cash";
 - ii. Is dated, but not postdated; and
 - iii. Does not contain any endorsement;
2. Certified check, cashier's check, treasurer's check or recognized money order that:
 - i. Is made payable to the presenting patron;
 - ii. Is endorsed in blank by the presenting patron;
 - iii. Is dated but not postdated; and

- iv. Does not contain any endorsement other than that of the presenting patron; or
3. Recognized credit card or debit card presented by a patron in accordance with the provisions of **138.xx**

Cash equivalent value of any merchandise or thing of value is defined in **138.xx**.

Cashiering location means any window in an enclosed structure within the gaming establishment from which a gaming employee conducts gaming or simulcasting cashiering transactions with patrons or employees including, without limitation, a cashiers' cage, satellite cage, master coin bank, coin vault, simulcast counter, ancillary simulcast counter, slot booth, coin redemption booth, jackpot/hopper window and keno booth.

Cashiers' cage is defined in **138.xx**.

CCTV system location means any location in the gaming establishment, not controlled by commission employees, that has been approved by the commission to receive transmissions from the surveillance department's CCTV system, as described in 205 CMR 141.00, including, without limitation, CCTV system monitoring rooms, surveillance department offices, CCTV system repair areas, and CCTV system emergency facilities.

Check is defined in M.G.L. c.106, section 3-104.

Check credit slip is defined in **138.xx**

Checking account is defined in **138.xx**.

Chief gaming executive means the individual employed by a gaming establishment who is responsible for the daily conduct of an gaming licensee's gaming business. Unless the chief gaming executive also serves as the chief executive officer of the gaming licensee, the chief gaming executive shall report directly to the chief executive officer of the gaming licensee.

Closer means the original of the Table Inventory Slip upon which each table inventory is recorded at the end of each shift.

Coin vault is defined in **138.xx**.

Compensation means direct or indirect payments for services performed including, but not limited to, salary, wages bonuses, deferred payments, and overtime and premium payments.

Complimentary distribution program is defined in **138.xx**.

Complimentary services or items is defined in **138.xx**.

Counter Check is defined in **138.xx**

Coupon means a document which is issued in accordance with the coupon redemption and complimentary distribution programs in **138.xx**, and includes a match play coupon and a progressive wager coupon.

Credit card cash transaction means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized credit card in accordance with the provisions of **138.xx**

Credit Slip is known as a "Credit" and is defined in **138.xx**.

Debit card cash transaction means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized debit card in accordance with the provisions of **138.xx**

Denomination when used in conjunction with or in reference to a slot machine, means the value of the lowest wager that can be placed on the slot machine.

Derogatory information is defined in **138.xx**.

Drop box is defined in **138.xx**.

Electronic fund transfer is defined in M.G.L. c.167B, §1.

Fill Slip is known as a Fill and is defined in **138.xx**.

Gaming voucher credit means the equivalent value of coins or slot tokens registered on the credit meter of a slot machine as a result of a patron inserting a gaming voucher into the slot machine, which value shall also be recorded on the value voucher in meter.

Gaming voucher receipt is defined in **138.xx**.

Gaming voucher system is defined in **138.xx**.

Handle means the total value of coins, slot tokens, including foreign slot tokens, currency, coupons, gaming vouchers, and electronic credits invested by a patron to activate the play of a slot machine.

Hopper fill is defined **138.xx**

Hopper inventory level means the total dollar value of the initial fill of a slot machine hopper or an adjusted total that includes any subsequent increases in the total dollar value of the initial fill.

Hopper storage area is defined in **138.xx**.

Identification Credential means a valid credit card, driver license, passport or other document generally accepted in business as a form of identification and which contains, at a minimum, the person's signature. A personal reference does not constitute an identification credential.

Imprest basis means the basis on which cashiers' cage and slot booth funds are replenished from time to time in exactly the value of the net of expenditures made from the funds and value received. A review is made by a higher authority of the propriety of the expenditures before the replenishment.

Incompatible function means a function, for accounting control purposes, that places any person or department, in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties. Anyone recording transactions and having access to assets ordinarily is in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

Jackpot Payout Receipt is defined in **138.xx**.

Jackpot Payout Slip is defined in **138.xx**.

Master coin bank cashier is defined in **138.xx**

Master Game Report or Stiff Sheet means a record of the computation of the win or loss or, for the game of poker, the poker revenue, for each gaming table, each game, and each shift.

Match play coupon means a coupon with a fixed, stated value that is issued, utilized and redeemed pursuant to **138.xx** and **138.xx**, and the stated value of which, when presented by a patron with gaming chips which are equal to or greater in value to the stated value of the coupon, is included in the amount of the patron's wager in determining the payout on any winning bet at an authorized game.

Opener means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

Outstanding patron check means any Counter Check, Slot Counter Check or replacement check that is not due for deposit or presentation pursuant to **138.xx** and has not in fact been deposited or presented for payment or redeemed by the drawer.

Pari-mutuel window net means the total value of credit vouchers issued and wagers placed on simulcast horse races at a pari-mutuel window less the total value of simulcast payouts at the same pari-mutuel window. Pari-mutuel window net shall be calculated by the **totalisator**.

Comment [TMG1]: Need to reconcile with racing regs

Patron cash deposit means the total value of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a gaming licensee by a patron for his or her subsequent use pursuant to **138.xx**.

Patron check means a Counter Check, a Slot Counter Check or a replacement check.

Payout is defined in **138.xx**, **138.xx**, and **138.xx**.

Pit clerk is defined in **138.xx**.

Poker revenue means the total value of rake charged to patrons at all poker tables pursuant to 205 CMR.

Progressive wager coupon means a coupon that: is issued, utilized and redeemed pursuant to **138.xx** and **138.xx**; has a fixed, stated value that is equal to that required for a table game progressive payout wager, and is redeemable only at specified table games offering progressive payout wagers pursuant to **138.xx**.

Rake is defined in 205 CMR.

Recognized credit card means a credit or charge card that:

- (1) Is issued by or under an agreement with a company that, as a normal part of its business, supplies its customers, either directly or through a national credit card network, with credit or charge cards that can be used for and are routinely accepted in consumer transactions;
- (2) Qualifies as a credit card for purposes of Regulation Z issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 226);
- (3) Expires on an expiration date that is imprinted on the card and is later than the date of the transaction for which the card is presented; and
- (4) Has a clearly visible registered credit card logo that is a permanent part of the card.

Recognized debit card means a debit card that:

- (1) Is issued by or under an agreement with a company that qualifies as a "depository institution" as defined in Section 19(b) of the Federal Reserve Act, 12 U.S.C., §461(b), and that, as a normal part of its business, supplies its customers, either directly or through a registered debit card verification agency, with access to funds maintained for the cardholder in such depository institution by means of a debit card that is routinely accepted in consumer transactions or used to obtain cash;
- (2) Qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
- (3) Has a clearly visible registered debit card logo that is a permanent part of the card.

Redemption receipt is defined in **138.xx**.

Registered credit card logo means a logo, permanently affixed on a recognized credit card, that a gaming licensee, prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the gaming licensee will accept the card in a credit card cash or chip transaction and that is commonly seen on credit or charge cards that are routinely accepted in the United States, including, without limitation, the following:

- (1) American Express;
- (2) Carte Blanche;

- (3) Diners Club;
- (4) Discover;
- (5) MasterCard; or
- (6) Visa.

Registered debit card logo means a logo, permanently affixed on a recognized debit card, that a gaming licensee, prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the gaming licensee will accept the card in a debit card cash or chip transaction and that is commonly seen on debit cards that are routinely accepted in the United States, including, without limitation, the following:

- (1) Money Access Card (MAC); or
- (2) New York Cash Exchange (NYCE).

Registered debit card verification agency means an organization that:

- (1) Verifies, upon request from a merchant, the validity and account sufficiency of a recognized debit card in the normal course of its business;
- (2) Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
- (3) A gaming licensee has identified in its internal controls as a company that will be used to verify recognized debit cards that are presented in debit card cash or chip transactions.

Registered electronic funds transfer company means an organization that:

- (1) Verifies, upon request from a merchant, the validity and account sufficiency of a recognized credit card in the normal course of its business;
- (2) Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
- (3) A gaming licensee has identified in its internal controls as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions.

Replacement check is defined in **138.xx**.

Request for Credit is defined in **138.xx**.

Request for Fill is defined in **138.xx**.

Request for Jackpot Payout Slip is defined in **138.xx**.

Residual slot credit means a slot machine credit, on a slot machine equipped with tokenization, in an amount which is less than the denomination of the token that the slot machine is designed to accept and pay out, and which cannot be totally and automatically paid from the slot machine for that reason.

Returned check is defined in **138.xx**.

Scan means to attempt to verify a gaming voucher or coupon in a gaming voucher system or coupon acceptance system by utilizing a device that can read its bar code, or by manually inputting the serial number of the coupon or the validation number of the gaming voucher into the system.

Simulcast count sheet is defined in **138.xx**.

Simulcast handle means the total value of currency, coin, gaming chips, slot tokens and coupons wagered by patrons on a simulcast horse race, less the total value of canceled or refunded tickets.

Slot booth is defined in **138.xx**.

Slot Cashier is defined in **138.xx**.

Slot cash storage box is defined in **138.xx**.

Slot Counter Check is defined in **138.xx**.

Slot drop bucket is defined in **138.xx**.

Slot drop box is defined in **138.xx**.

Slot machine drop means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, the total value of currency, gaming vouchers and coupons in a slot cash storage box, and the total value of electronic credits withdrawn from patron accounts pursuant to **138.xx**, if applicable.

Slot machine win means the value determined by subtracting the hopper fills, other than initial fills of slot machine hoppers and hopper storage areas or any subsequent increases to those initial fills, cash payouts pursuant to **138.xx**, and gaming vouchers redeemed pursuant to **138.xx** from the slot machine drop.

Supervisor means a person employed in the operation of a gaming establishment in a supervisory capacity or empowered to make discretionary decisions which regulate gaming operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, table games shift managers, the gaming manager, and the assistant gaming manager.

Comment [TMG2]: This needs to be reconciled with 205 CMR 134. Most of the people you've listed are key gaming employees but some are just gaming employees. Use of the term supervisor could lead to licensing confusion.

Suspicious gaming voucher means any gaming voucher that appears to have been counterfeited, tampered with or altered in any way that would affect its integrity, suitability, validity or value.

Suspicious gaming voucher report is defined in **138.xx**.

Table game drop means the sum of the total value of currency, coin, coupons as calculated in accordance with 205 CMR.

Table game win or loss means the value of gaming chips and plaques and cash won from patrons at gaming tables less the value of gaming chips, plaques and coins won by patrons at gaming tables other than poker tables and the value paid to patrons in cash or by gaming establishment check for progressive payout wagers as calculated in accordance with **138.xx** and **138.xx**.

Tokenization means the capacity of a slot machine to accept and pay out a slot token of a denomination that is greater in value than the denomination of a slot machine game contained within the slot machine, for example, a nickel slot machine game contained in a slot machine which only accepts and pays out \$1.00 tokens.

Travel Disbursement Voucher is defined in **138.xx**.

Unredeemed gaming voucher record is defined in **138.xx**.

Unscanned gaming voucher means any gaming voucher that a gaming licensee elects to redeem when its gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of the voucher.

Unscanned gaming voucher transfer form is defined in **138.xx**.

Unsecured currency, unsecured gaming voucher, and unsecured coupon are defined in **138.xx**.

Unverified gaming voucher means any gaming voucher, other than a suspicious gaming voucher, that the gaming voucher system fails to verify and electronically cancel in the system when it is presented for redemption and scanned.

Unverified gaming voucher log is defined in **138.xx**

Unverified gaming voucher log summary report is defined in **138.xx**.

Unverified gaming voucher transfer form is defined in **138.xx** .

Vault cashier is defined in **138.xx**.

Wire transfer means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 C.F.R. 210.25 *et. seq.*

Submissions to the Commission

138.01: Licensee's system of internal controls

- (1) At least 60 days prior to commencing operations a gaming licensee shall submit to the commission its proposed minimum system of internal procedures and administrative and accounting controls (hereinafter, "internal controls") in accordance with 205 CMR 138.01(4). Gaming operations may not be commenced until the submission is approved in accordance with 205 CMR 138.01(2).
- (2) The commission shall refer the proposal submitted in accordance with 205 CMR 138.01(1) to the Executive Director who shall review the submission for compliance with M.G.L. c.23K,

205 CMR 138.00 and other applicable sections of 205 CMR referenced therein. Upon completion of review the Executive Director shall either approve the submission or advise the gaming licensee in writing of any deficiency, and may include any other recommendations and/or required changes intended to ensure that a robust system of internal controls are implemented. The gaming licensee may either accept a recommendation in writing or advise the Executive Director in writing as to the reason for its disagreement. The gaming licensee may dispute any determination or recommendation made by the Executive Director to the commission which shall resolve the issue at a public hearing. The commission or the Executive Director may revisit any provision of the internal controls at any time and direct adjustment if necessary to ensure that a robust system of internal controls are in effect. Upon approval by the Executive Director and/or commission the gaming licensee shall be issued a writing evidencing the approval of its internal controls including any associated conditions.

- (3) At least 15 business days prior to changing any provision of the approved internal controls a gaming licensee shall submit the proposed change, including an explanation therefor, and new certifications from its chief legal and financial officers consistent with 205 CMR 138.01(4)(h) and (i), to the commission for approval. The commission shall refer the proposed change to the Executive Director who shall review the proposal to determine whether it complies with 205 CMR 138.00. Changes to the system of internal controls will generally be permitted if the proposed change does not lessen the applicable administrative, accounting, or physical control. Upon completion of review the Executive Director shall either approve the proposed change or advise the gaming licensee in writing as to why the proposal does not comply with 205 CMR 138.00. The gaming licensee may dispute the Executive Director's determination to the commission which shall resolve the issue at a public hearing.

Modifications to internal controls may not be implemented until approved by the Executive Director or the commission. Provided, however, if the Executive Director does not object or otherwise respond to the submission in writing within 15 business days of receipt of the submission, the gaming licensee may make the proposed change subject to further direction by the Executive Director in accordance with 205 CMR 138.01(3).

- (4) The internal controls shall include the following:
 - (a) Administrative controls which include, as their primary objective, policies and procedures designed to assure that all activities and transactions of the gaming licensee are instituted and completed in accordance with the applicable policy and/or procedure.
 - (b) Accounting controls, as detailed in 205 CMR 139.02, which include, as their primary objective, procedures to assure that all activities and transactions of the gaming licensee are accurately reported and recorded in accordance with generally accepted accounting principles.

- (c) Surveillance controls as detailed in 205 CMR 141.00
 - (d) Physical controls which include, as their primary objective, the safeguarding of company assets to include safeguards in the form of organizational safeguards, such as segregation of duties between incompatible functions, and physical safeguards such as restricted access to assets and routine security devices such as cameras and locking doors.
 - (e) A network security plan as described in 205 CMR 143.12.
 - (f) A plan to ensure compliance with 205 CMR 140.00: *Gross Gaming Revenue and Tax Remittance and Reporting*.
 - (g) All applicable policies and procedures required pursuant to 205 CMR 138.02-138.51.
 - (h) A certification by the gaming licensee's chief legal officer that the submitted procedures conform to M.G.L. c.23K, 205 CMR 138.00, and any applicable regulations referenced therein; and
 - (i) A certification by the gaming licensee's chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls, and conform to generally accepted accounting principles and 205 CMR 139.00.
- (5) Nothing in 205 CMR 138.00 shall be interpreted so as to limit a gaming licensee's use of technology, provided that, if the gaming licensee intends to utilize any new technology not identified in its initial proposal, it shall submit for commission approval the changes to its system of internal controls to incorporate the use of any such new technology in accordance with 205 CMR 138.01(3).
- (6) If gaming licensee desires to incorporate a provision in its internal controls that is not in conformance with 205 CMR 138.00, or to exclude a provision required by 205 CMR 138.00, it may petition to do so by including its proposal in its internal controls filing along with a citation to the applicable provision of 205 CMR 138.00 and a written explanation as to why the variance is being requested. The Executive Director may allow the variance upon a finding that the proposal is at least equivalent to relevant provision contained in 205 CMR 138.00 and that the proposal is likely to achieve the same outcome as if the provision contained in 205 CMR 138.00 were incorporated. Such variance shall be identified in the written approval issued in accordance with 205 CMR 138.01(2).
- (7) Upon approval in accordance with 205 CMR 138.01(2) and (3), the gaming licensee shall implement and abide by its system of internal controls. The commission may take any steps necessary to determine whether the internal controls are being following and to enforce compliance. The gaming licensee shall periodically compare its approved system of internal controls, as written, to the system actually in place and operating for the purpose of identifying areas of non-compliance, if any, so as to take immediate corrective action.

- (8) The gaming licensee shall maintain in its records and at all times a complete set of its system of internal controls in effect at that time.
- (9) When possible, all filings and records required to be submitted to the commission in accordance with 205 CMR 138.00 shall be done electronically unless otherwise directed by the commission.

138.02: Records regarding company ownership

All records regarding ownership, as described in 205 CMR 139.01, shall be maintained at a location as determined by the gaming licensee provided that the commission is notified of such location where the records are to be stored. The commission shall be granted prompt and unfettered access to all such records upon request.

138.03: Gaming licensee's organization

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include tables of organization, which shall provide for:

- (a) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.
- (b) The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties.
- (c) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times.
- (d) Areas of responsibility which are not so extensive as to be impractical for one person to monitor.

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions detailing the structure, function and area of responsibility for the following mandatory departments and supervisory positions, with each of the mandatory departments and supervisors cooperating with, yet performing independently of, all other mandatory departments and supervisors of the gaming licensee as follows:

- (a) A surveillance department supervised by an executive who shall be responsible for the management of the surveillance department. The chief surveillance executive shall be subject to the reporting requirements specified in 205 CMR 138.03(4). The surveillance

department monitoring room shall be supervised by an individual licensed as a key gaming employee in accordance with 205 CMR 134.00 who shall be present in the room at all times or, if not present, be within immediate contact and at a known location at the gaming establishment.

- (b) An internal audit department supervised by an audit department executive. The audit department executive shall be subject to the reporting requirements specified in 205 CMR 138.03(4).
- (c) An IT department supervised by an executive who shall be responsible for the management of the IT department.
- (d) A casino games department supervised by an executive who shall be responsible for the management of the casino games department. The chief casino games executive shall be responsible for the operation and conduct of all authorized games and gaming devices in a gaming establishment
- (e) A security department supervised by an executive who shall be responsible for the management of the security department.
- (f) A gaming accounting department supervised by an executive who shall be responsible for the management of the gaming accounting department. The chief gaming accounting executive shall be responsible for all gaming related accounting control functions.
- (g) A compliance committee consisting of at least 3 members, one of whom shall be independent of the gaming licensee. The compliance committee may consist of less than 3 members upon a showing of good cause by the gaming licensee, but, under all circumstances, a compliance committee must include at least 1 independent member. The compliance committee may be created at either the gaming licensee level or at the level of a holding or intermediary company. The compliance committee shall provide its policies and procedures to the commission for approval, which policies and procedures shall provide for, at a minimum, the following:
 - (1) The monitoring of policies, procedures, material transactions and proposed transactions for purposes of avoiding impropriety or the appearance thereof.
 - (2) The review of payments to individuals and entities with business associations and the provision of services, gifts or anything of value to or on behalf of any public official.
 - (3) The review of political contributions.
 - (4) Ensuring compliance with all applicable Federal, State and local laws and regulatory requirements.
 - (5) Protecting against unethical or unlawful behavior by employees.
 - (6) The conduct of due diligence reviews and investigations of directors, officers, executive level employees and those entities and individuals having material associations with the gaming licensee.
 - (7) Providing the commission with the minutes of its meetings with 45 days of the conduct of those meetings.

- (h) An independent audit committee consisting of at least 3 members provided, however, that the independent audit committee may be comprised of less than 3 members upon a showing of good cause to the commission. The independent audit committee may be created at either the gaming licensee level or at the level of a holding or intermediary company. The Committee shall provide the commission with the minutes of its meetings within 45 days of the conduct of those meetings.
- (3) A gaming licensee may, in its discretion, assign more than one individual to serve jointly as the chief executive manager of a department within the gaming establishment, with each individual being individually and jointly accountable and responsible for the operations of that department. Each mandatory department shall be supervised at all times by at least one individual who has been licensed as a key gaming employee in accordance with 205 CMR 134.00.
- (4) The chief executives of the surveillance and internal audit departments required by 205 CMR 138.03(2) shall comply with the following reporting requirements:
- (a) Each executive shall report directly to the chief gaming executive of the gaming licensee regarding administrative matters and daily operations provided, however, a gaming licensee may allow each of these executives to report directly to a management executive of the licensee other than the chief gaming executive if that management executive reports directly to the chief gaming executive.
 - (b) Each executive shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility, and authority. The hiring, termination, and salary of each executive shall also be controlled by one of the following persons or entities:
 - (1) The independent audit committee of the gaming licensee's board of directors;
 - (2) The independent audit committee of the board of directors of any holding company of the gaming licensee which has absolute authority to direct the operations of the gaming licensee;
 - (3) The senior surveillance or internal audit executive of any holding company included in 205 CMR 138.03(4)(b)(2) if such executive reports directly to the independent audit committee of the board of directors of the holding company; or
 - (4) For gaming licensees or holding companies which are not corporate entities, the non-corporate equivalent of any of the persons or entities listed in 205 CMR 138.03(4)(b)(1) through (3).

(5) In the event of a vacancy in the chief executive officer position, the chief gaming executive, or in any executive position responsible for management of one of the mandatory departments set forth in 205 CMR 138.03(2)(a) through (f), the gaming licensee shall:

(a) Provide written notice to the commission no later than five days from the date of the vacancy, advising of the following:

- (1) The vacant position;
- (2) The date on which the position became vacant; and
- (3) The date on which it is anticipated that the vacancy will be filled on a permanent basis.

(b) Within 30 days, the gaming licensee shall either fill the vacant position described in 205 CMR 138.03(5) on a permanent basis or designate an individual to assume the duties and responsibilities of the vacant position on a temporary basis, which appointment shall not exceed 120 days, subject to extension upon approval by the commission. An individual temporarily designated shall not simultaneously function as the department supervisor for any department identified in 205 CMR 138.03(2), and such individual's areas of responsibility shall not be so extensive as to be impractical for one individual to monitor.

(c) Within five days of filling any vacancy, whether on a temporary or permanent basis, the gaming licensee shall provide written notice to the commission advising of the following:

- (1) The position;
- (2) The name of the person designated;
- (3) The date that the vacancy was filled; and
- (4) An indication of whether the position has been filled on a temporary or permanent basis.

(6) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include, and a gaming licensee shall maintain on file, a current table of organization delineating the lines of authority for all personnel engaged in the operation of the gaming establishment, which shall, for each department and division, include direct and indirect lines of authority within the department or division.

(7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a plan for ensuring that all gaming employees employed in the gaming establishment are properly trained in their respective professions. Proper training of a gaming employee in the respective field for which the gaming employee is or shall be employed by the gaming licensee may be established as follows:

- (a) Satisfactory completion by the employee of a course of instruction in the employee's respective field provided by a person recognized by the commission as a certified training school in accordance with 205 CMR 137.00;
- (b) Satisfactory completion by the employee of a course of instruction or on the job training program provided by the gaming licensee in the employee's respective field;
- (c) Relevant prior work experience of the employee in the employee's respective field; or
- (d) Other relevant training or experience.

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a plan for ensuring that all employees of the gaming establishment are properly licensed or registered in accordance with 205 CMR 134.00.

138.04: Floor plans of the gaming area, gaming establishment simulcasting facility and restricted areas

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include proposed floor plans of the gaming establishment's gaming area, simulcasting facility, if any, and any restricted areas.
- (2) Each floor plan required by 205 CMR 138.xx(1) shall be drawn to at least one-eighth inch scale (1/8 inch = one foot), shall be prepared by a qualified Massachusetts registered engineer or architect, shall have received any necessary approvals, and shall depict, at a minimum, the location of the following:
 - (a) The gaming area, and any simulcasting facility, including, at a minimum, the proposed total square footage thereof and a clear delineation of the respective perimeter of each;
 - (b) Each gaming pit, its pit location number, and any alternate configurations;
 - (c) Each table game, noting its pit and table game location number;
 - (d) Each CCTV camera, noting its type and camera number;
 - (e) Each slot booth, noting its booth number;
 - (f) Each cashier's cage and its component offices and areas;
 - (g) Each separate master coin bank;
 - (h) Each window at the cashiers' cage, noting its window number;
 - (i) Each count room;
 - (j) Each slot zone, its slot zone location letter or number and the total number of authorized slot machine locations within that slot zone, and at the gaming licensee's option, a maximum of four alternate configurations or locations for that slot zone and the alternate slot zone location number for each (for example, Slot Zone 2A);
 - (k) Each authorized slot machine location, which location shall contain no more than one

slot machine and bill changer at a time, noting its slot machine location number and any slot zone location letter or number;

- (l) Each slot stool authorized for use, noting its stool number, if any;
- (m) Each automated coupon redemption machine, noting its location number;
- (n) Each automated jackpot payout machine, noting its location number;
- (o) Each gaming voucher redemption machine, noting its location number;
- (p) Each satellite cage and its component offices and areas;
- (q) Each coin vault;
- (r) Each area approved for the storage of gaming chips or plaques;
- (s) Each room or area approved for the storage of dice or playing cards;
- (t) Each other room or area that is accessible directly from the gaming area;
- (v) For those establishments with a simulcasting facility:

- (1) Each simulcast counter and any ancillary simulcast counter, along with their component offices, areas and equipment;
- (2) Each credit voucher machine, noting its location number;
- (3) Each self-service pari-mutuel machine, noting its location number; and
- (4) Each other area or room designated by the commission.

(3) Each gaming licensee, after obtaining commission's approval of its floor plans submitted as part of its internal controls, shall not commence gaming or simulcast wagering in the areas depicted on the floor plan until a copy thereof that has been certified and sealed by the architect has been delivered to the commission's IEB office in the establishment, an electronic copy has been sent to the IEB's main office and a printed copy thereof has been delivered to each of the following:

- (a) The gaming licensee's security podium; and
- (b) The gaming licensee's monitoring rooms

Gaming Establishment Records

138.05: Accounting records

- (1) A gaming licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for each gaming establishment including those required to comply with 204 CMR 140.00: *Gross Gaming Revenue Tax Remittance and Reporting*.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records sufficient to meet the requirements of 205 CMR 139.00 shall also be maintained.

138.06: Retention, storage and destruction records

(1) All records required to be retained by a gaming licensee shall be retained in accordance with the following schedules:

(a) The following records shall be retained indefinitely unless permission for destruction is requested by the gaming licensee and approved by the commission:

- (1) Corporate records required by 205 CMR 138.02;
- (2) Records of corporate investigations and due diligence procedures;
- (3) Current employee personnel files; and
- (4) A record of any record destroyed, identifying the particular record, the period of retention and the date of destruction.

(b) The following records shall be retained for a minimum of five years:

- (1) Gaming-related documents not otherwise specified in 205 CMR 138.xx(c) including, without limitation, records concerning gaming-related service industries;
- (2) Personnel files of former employees; and
- (3) Any other record not otherwise specified in this subsection.

(c) The following records shall be retained for a minimum of four years from the date of the actual filing of the gross revenue tax return for the tax year in which the record was generated:

- (1) Cage documents;
- (2) Documentation supporting the calculation of table game win;
- (3) Except as otherwise provided in (c)6 and 8 below, documentation supporting the calculation of slot machine win;
- (4) Suspicious gaming vouchers and unverified gaming vouchers;
- (5) Documentation supporting the calculation of poker revenue;
- (6) Documentation supporting the calculation of the provision for uncollectible patron checks pursuant to **138.xx.**; and
- (7) Suspicious gaming voucher reports; unscanned gaming voucher transfer forms; unverified gaming voucher transfer forms; gaming voucher receipts; unverified gaming voucher logs; unverified gaming voucher log summary reports; and all documents associated with investigations of unverified gaming vouchers conducted pursuant to **138.xx.**

(d) The following records shall be retained for a minimum of three years:

- (1) Hotel income audit documents, including, without limitation, telephone call records and charges;
- (2) Non-gaming hotel-related documents, including, without limitation, records concerning hotel guests; records concerning banquets; food and beverage documents; records of retail stores, accounts receivable

and other records of transactions in which the casino licensee is a vendor; and entertainment records;

- (3) Payroll records, except as provided in (c)1 above;
- (4) Signature cards of terminated employees;
- (5) Marketing department records;
- (6) Security incident reports
- (7) Insurance department records relating to guest claims and copies of arrest records;
- (8) Credit union records; and
- (9) Hotel-related documents which pertain to the purchasing department and accounts payable department;
- (10) Patron gaming records;
- (11) Records concerning junkets;
- (12) Petty cash documentation;
- (13) General ledgers and supporting journals; and
- (14) Accounts receivable documents from store rentals and travel wholesalers.

(e) The following records shall be retained for a minimum of one year:

- (1) Complimentary settled guest checks;
- (2) Card and dice transaction and inventory reports;
- (3) Returned check aging reports, except for year-end reports;
- (4) Vendor Registration Forms;
- (5) Register tapes and room service checks;
- (6) Files and workpapers used to prepare budgets;
- (7) Records generated by the mailroom;
- (8) Advertising records;
- (9) Slot department daily activity logs;
- (10) Surveillance employee duty logs including but not limited to those required pursuant to **138.xx** Disks/VCR/tape logs, surveillance department visitor logs, and equipment malfunction reports;
- (11) Any document, except for a document specified in (c)3ii through vi for which the gaming licensee can demonstrate that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with (c)1 through 4;
- (12) Daily operating reports generated by multi-casino progressive slot systems;
- (13) Logs of all multi-casino progressive slot system events and problems;
- (14) With the exception of cashed pari-mutuel tickets and credit vouchers, the records related to the revenues and expenses of simulcasting,

including, but not limited, to all reports generated by the totalisator and all records maintained shall be retained by a gaming licensee or a hub facility for a minimum of one year; and

(15) Records prepared in connection with or relating to the forfeiture of winnings or things of value obtained by a prohibited person as defined by M.G.L. c.23K, §45 and 205 CMR.

- (f) The following records shall be retained for a minimum of six months:
- (1) Except as provided in 205 CMR (c)11xxiv, coupons entitling patrons to cash, slot tokens, gaming chips or plaques or simulcasting wagers, progressive wager coupons or match play coupons, including unused, voided and redeemed coupons;
 - (2) Gaming vouchers redeemed at any location other than a slot machine pursuant to 19:45-1.54, and which have been verified and electronically cancelled by the gaming voucher system;
 - (3) Voided gaming vouchers;
 - (4) The following hotel income audit documents: cashier reports, room tally reports, over/short reports, rate variations and missing check reports;
 - (5) Load count arrival forms;
 - (6) Credit card settled guest checks pertaining to restaurant and bar charges;
 - (7) Room charge settled guest checks pertaining to restaurant and bar charges;
 - (8) Credit card vouchers used to settle guest checks in restaurants and bars;
 - (9) Guest check control sheets used to control the issuance and return of guest checks to cashiers, bartenders and food servers;
 - (10) Credit applications with unused lines of credit;
 - (11) Zeroed-out countercheck envelopes;
 - (12) Emergency drop box approval forms; and
 - (13) Redeemed patron checks not directly returned to the patron or not requested to be mailed within six months of redemption.
- (g) The following records shall be retained for a minimum of 90 days:
- (1) Coin bag tags, provided that the information contained thereon is duplicative or less than that recorded on another document; and
 - (2) Documents relating to promotions, such as entry forms and game tickets.
- (h) The following records shall be retained for a minimum of 30 days:

- (1) Hotel cashier envelopes.

(i) The following records shall be retained for a minimum of seven days and may be destroyed without the notice required by 205 CMR (f) unless the commission or IEB directs otherwise pursuant to 205 CMR (g):

- (1) Pari-mutuel tickets and credit vouchers which have been cashed, cancelled or refunded in the gaming licensee's simulcasting facility;
- (2) Gaming vouchers redeemed at slot machines, and which have been verified and electronically cancelled by the gaming voucher system; provided, however, that if the controller has verified that all audits have been completed such gaming vouchers may be destroyed immediately upon the controller's verification;
- (3) Contribution invoices sent to gaming licensees participating in a multi-casino progressive slot system; and
- (4) Jackpot activity reports generated by a multi-casino progressive slot system.

(j) The following original books, records and documents do not have to be retained by a gaming licensee for any minimum period of time, but may be destroyed only upon notice in accordance with 205 CMR (f) and (g):

- (1) Any serially pre-numbered form required by commission rules that is blank or unused, unless otherwise specified by this section; and
- (2) Any record that has been copied and stored on a microfilm, microfiche or other media system approved by the commission.

(k) The following records do not have to be retained by a gaming licensee for any minimum period of time and may be destroyed without the notice required by 205 CMR (f):

- (1) Parking ticket stubs;
- (2) Coat check tickets;
- (3) Housekeeping reports;
- (4) Maintenance department records;
- (5) Patron mailing lists;
- (6) Blank entry forms;
- (7) Bellman and baggage forms;
- (8) Cash settled guest checks;
- (9) Food credit and complimentary beverage coupons;
- (10) Drink chits;
- (11) Food and beverage order slips;
- (12) Bottle sales slips;
- (13) Showroom starter slips;
- (14) Communication department records;

- (15) Unsolicited resumes or letters requesting employment;
- (16) Register tapes, provided that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with 205 CMR (c)3;
- (17) Survey questionnaires regarding service in the casino hotel;
- (18) Records of hours worked by persons employed in gaming-related positions in an abstract or other readily accessible format;
- (19) Any blank or unused form except as provided in 205 CMR (c)8i, unless otherwise specified by 205 CMR;
- (20) Laundry charges;
- (21) Slot machine meter reports generated by a multi-casino progressive slot system;
- (22) Handle pull or play reports generated by a multi-casino progressive slot system; and
- (23) Any coupon issued and mailed or otherwise given to a patron and subsequently returned unused to the sender, provided that all reconciliations required pursuant to 205 CMR 138.xx and the gaming licensee's approved internal controls have been conducted and resolved, and that any coupons with unresolved discrepancies are retained in accordance with 205 CMR (c)6i.

(2) A gaming licensee may petition the commission at any time for approval of a facility off the site of the gaming establishment to be used to generate or store records. Such petition shall include:

- (a) A detailed description of the proposed off-site facility, including security and fire safety systems; and
- (b) The procedures pursuant to which commission agents will be able to gain access to the records retained at the off-site facility.

(3) A gaming licensee shall, except as otherwise provided in 205 CMR (c), notify the commission in writing at least 15 days prior to the scheduled destruction of any record. Such notice shall list each type of record scheduled for destruction, including a description sufficient to identify the records included; the retention period; and the date of destruction.

(5) The commission may prohibit the destruction of any record by so notifying the gaming licensee in writing within 15 days of receipt of the notice of destruction pursuant to 205 CMR (f) or, in the case of a record governed by 205 CMR (c)9, within the specified retention period. Such original record may thereafter be destroyed only upon notice from the commission, the IEB, or by order of the commission upon the petition of the gaming licensee or by the commission on its own initiative.

(6) The gaming licensee may utilize the services of a disposal company for the destruction of any records except those related to credit. Any cash complimentary coupons to be destroyed by

a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.

(7) Nothing herein shall be construed as relieving a gaming licensee from meeting any obligation to prepare or maintain any book, record or document required by any other federal, state or local governmental body, authority or agency.

Casino Organization/Personnel

138.07: Jobs compendium submission

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a jobs compendium detailing job descriptions, chains of command, and lines of authority for all personnel engaged in the operation of the gaming establishment. The licensee shall maintain and update the jobs compendium on a regular basis.

(2) A jobs compendium shall include the following sections, in the order listed:

- (a) An alphabetical table of contents listing the position title and job code for each job description included in 205 CMR (b)3 and the page number on which the corresponding job description may be found;
- (b) A table of organization for each department and division, including all positions, and illustrating by position title, direct and indirect lines of authority within the department or division. Each page of a table of organization shall specify the following:
 - (1) The date of its submission;
 - (2) The date of the previously submitted table of organization which it supersedes; and
 - (3) A unique title or other identifying designation for that table of organization.
- (c) A description of each employee position which accurately corresponds to the position title as listed in the table of organization and in the alphabetical table of contents. Each position description shall be contained on a separate page, organized by departments or divisions, and shall include, at a minimum, the following:
 - (1) Position title and corresponding department;
 - (2) Salary range;
 - (3) Job duties and responsibilities;
 - (4) Detailed descriptions of experiential or educational requirements;
 - (5) Projected number of employees in the position;
 - (6) Equal employment opportunity class or subclass;
 - (7) Proposed registration or license rank consistent with 205 CMR 134.01 through 134.03;
 - (8) The date of submission of each employee position job description and the date of

any prior job description it supersedes; and

(9) The date of submission and page number of each table of organization on which the employee position title is included.

(3) Except as otherwise provided in 205 CMR (4), any proposed amendment to a previously approved jobs compendium, including any amendment to a table of organization, may be implemented by the gaming licensee without the prior approval of the commission, provided that:

- (a) The amendment is immediately recorded in the jobs compendium maintained by the licensee on its premises; and
- (b) The amendment is submitted to the commission by the end of the business day on the date of implementation, including at a minimum, the following:
 - (1) A detailed cover letter listing by department each position title to which modifications have been made, a brief summary of each change, instructions regarding any changes in page numbers and the date of implementation; and
 - (2) The proposed changes to the information required by (b) above, including the corresponding job descriptions and tables of organization, contained on pages which may be used to substitute for those sections of the jobs compendium previously approved by the commission.

(4) A gaming licensee shall not be required to comply with the filing requirements of 205 CMR

(3) for amendments to job descriptions for the following positions:

- (a) Positions which do not require a license or registration;
- (b) Positions which require a casino service employee registration, provided that the casino licensee files with the Commission a notice of any addition, deletion or amendment to any position that requires casino service employee registration. Such notice shall include the title, department, job code, salary grade and table of organization on which that position is identified.

(5) Notwithstanding any other requirement of this section, each gaming licensee shall submit a complete and up-to-date jobs compendium in accordance with 205 CMR (1) to the commission 18 months after approval of its system of internal controls in accordance with 205 CMR 138.01 and every two years thereafter, unless otherwise directed by the commission.

(6) Each gaming licensee shall maintain on its premises a complete, updated copy of its jobs compendium which shall be made available for review upon the request of the IEB or commission.

(8) No provision of 205 CMR 138.00 shall be construed so as to limit a gaming licensee's discretion in utilizing a particular job title for any position in its jobs compendium.

138.08: Personnel assigned to the operation and conduct of gaming

(1) Each gaming licensee shall be required to employ the following personnel in the operation of its gaming establishment, regardless of the position titles assigned to such personnel by the gaming licensee in its approved jobs compendium:

(a) Each gaming licensee shall at all times maintain a level of staffing that ensures the proper operation and effective supervision of all authorized games and simulcast wagering in the casino and casino simulcasting facility.

(b) Each gaming licensee shall be required to employ a person referred to herein as a gaming manager. The gaming manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of a gaming licensee's casino games department including, without limitation, the hiring and terminating of all gaming establishment employees and the creation of high employee morale and good customer relations, all in accordance with the policies and practices established by the gaming licensee's board of directors or non-corporate equivalent.

(1) In the absence of the gaming manager and the assistant gaming manager, should the establishment have an assistant gaming manager, a table games shift manager or slot shift manager, as applicable, who is employed within the casino games department shall be designated by the gaming licensee as the person responsible for the overall operation of the casino games department and such person shall have the authority of a casino manager.

(2) Notwithstanding the foregoing, if a casino licensee chooses, to establish an independent slot department, the independent slot department shall be supervised and managed by a slot department manager in accordance with 2050CMR (h)5.

(c) The following personnel shall be used to operate the table games in an establishment:

- (1) Gaming clerk shall be the person located at a desk in the pit to prepare documentation required for the operation of table games including, without limitation, Requests for Fills, Requests for Credits, Counter Checks and documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions.
- (2) Dealers shall be the persons assigned to each table game to directly operate and conduct the game.
- (3) Stickperson shall be the dealer assigned to each craps table to control the dice and may be responsible for the proposition wagers made at the craps table. At the gaming licensee's option, a stickperson may also be assigned to a mini-craps table, in addition to the required dealer, to control the dice and may be responsible for the proposition wagers made at the mini-craps table.
- (4) Boxperson shall be the first level supervisor assigned the responsibility of directly participating in and supervising the operation and conduct of the craps game.
- (5) Floorperson shall be the second level supervisor assigned the responsibility for directly supervising the operation and conduct of a craps game, and the

first level supervisor assigned the responsibility for directly supervising the operation and conduct of all other table games.

- (6) Except as provided in 205CMR (b)8ii, pit boss shall be the third level supervisor assigned the responsibility for the overall supervision of the operation and conduct of a craps game and the second level supervisor assigned the responsibility for the overall supervision of the operation and conduct of all other table games other than poker.
 - (7) Poker shift supervisor shall be the supervisor assigned and present during a shift with the responsibility for directly supervising all activities related to the operation and conduct of poker. A poker shift supervisor may also supervise table games other than poker in lieu of a pit boss in accordance with the provisions of this section.
 - (8) Table games shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming establishment provided, however, that:
 - (1) If a gaming licensee chooses, to establish an independent slot department, a gaming manager may personally perform the required duties of a table games shift manager when the gaming manager is present in the gaming establishment; and
 - (2) A gaming licensee may, as part of its revised supervision plan as set forth in 205 CMR (e), permit its table games shift manager to provide a break, for a reasonable period of time, for a pit boss on duty during the hours of 12:00 a.m. to 12:00 p.m.
- (d) Each gaming licensee shall maintain the following minimum levels of staffing:
- (1) One gaming clerk shall be assigned to the entire gaming establishment;
 - (2) One dealer shall be assigned to each table for any table game other than craps and baccarat;
 - (3) Three dealers shall be assigned to each craps and baccarat table;
 - (4) One boxperson shall be assigned to each craps table;
 - (5) One floorperson shall supervise not more than:
 - (a) Four tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR) craps, mini-craps, automated craps and pai gow; or
 - (b) One baccarat table; or
 - (c) As to the game of minibaccarat, when using the dealing procedure in 19:47-7.7(c)3:
 - (1) Two minibaccarat tables using the dealing procedure in 205 CMR; or
 - (2) One minibaccarat table using the dealing procedure in 205 CMR and one table of any other table game excluding baccarat, mini-

craps and pai gow (unless the pai gow table has continuous, dedicated surveillance camera coverage); or

- (d) As to the game of craps:
 - (1) Two craps tables; or
 - (2) One craps table and one table of any other table game excluding baccarat, mini-craps and pai gow; or
 - (3) One mini-craps table; or
 - (4) Two automated craps games;
 - (5) One automated craps table and two other table games, excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps and pai gow; or
- (e) As to the game of pai gow:
 - (1) One pai gow table; or
 - (2) Two pai gow tables if the tables are in a side-by-side configuration and continuous, dedicated surveillance camera coverage is maintained for the pai gow tables; or
 - (3) One pai gow table with continuous, dedicated surveillance camera coverage and one table of any other table game excluding baccarat, craps and mini-craps; or
- (f) As to the game of poker:
 - (1) Four poker tables if the poker shift supervisor is supervising both poker tables and table games other than poker; or
 - (2) Eight poker tables if the poker shift supervisor is supervising only poker tables; or
 - (3) Ten poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker by a gaming licensee has any responsibilities for seating players;
- (6) One pit boss shall supervise not more than 24 gaming tables, provided that all of the tables are within view of each other; and
- (7) One poker shift supervisor shall supervise all open poker tables; provided, however, that the poker shift supervisor may supervise a total of not more than 16 poker tables and table games other than poker (in lieu of a pit boss) if fewer than 16 poker tables are open.
- (a) Notwithstanding the provisions of 205 CMR (7):
 - (1) If a gaming licensee has six or fewer poker tables open for gaming activity, no poker floorperson shall be required and the poker tables may be supervised by the poker shift supervisor, provided that the poker shift supervisor is not supervising any other table games; and

- (2) If a gaming licensee has at least one but fewer than four poker tables open for gaming activity, the poker shift supervisor may supervise any combination of not more than four poker tables and table games other than poker (in lieu of a pit boss) and no floorperson shall be required to supervise the poker tables provided that the floorperson supervision requirements for games other than poker are satisfied.
- (b) Notwithstanding the provisions of 205 CMR (7), a gaming licensee may implement a plan for revised supervision by floorpersons, poker shift supervisors, pit bosses or slot shift managers. A plan for revised supervision of table games shall not include any gaming tables at which the cards shall be used for more than 24 hours pursuant to 205 CMR. In any plan for revised supervision:
 - (1) One floorperson may supervise not more than six tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, craps, mini-craps, automated craps, pai gow and blackjack when offering the streak wager permitted under 205 CMR;
 - (2) One pit boss may supervise not more than 30 gaming tables, provided that all of the tables are within view of each other;
 - (3) One poker shift supervisor may supervise a total of not more than 24 poker tables and gaming tables other than poker (in lieu of a pit boss), provided that:
 - (a) The poker shift supervisor is supervising all poker tables which are open to the public; and
 - (b) One floorperson may supervise not more than six poker tables;
 - (4) One floorperson may supervise two craps tables and one additional table of any other table game excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, mini-craps, automated craps and pai gow;
 - (5) One floorperson may supervise one craps table and two additional tables comprised of any combination of table games excluding baccarat, minibaccarat, mini-craps, automated craps and pai gow;
 - (6) One floorperson assigned to poker may supervise not more than 10 poker tables if the poker shift supervisor is supervising only poker tables; and
 - (7) One floorperson assigned to poker may supervise not more than 12 poker tables if the poker shift supervisor is supervising only

poker tables and no floorperson assigned to poker has any responsibilities for seating players.

- (8) The following personnel shall be used to maintain and operate the slot machines and bill changers in an establishment:
- (a) Slot mechanics shall be the persons assigned the responsibility for repairing and maintaining slot machines and bill changers in proper operating condition and participating in the filling of payout reserve containers.
 - (b) Slot attendants shall be the persons assigned the responsibility for the operation of slot machines and bill changers, including, but not limited to, participating in manual jackpot payouts and filling payout reserve containers.
 - (c) Slot supervisors shall be the first level supervisors assigned the responsibility for directly supervising the operation of slot machines and bill changers.
 - (d) Slot shift manager shall be the second level supervisor with the responsibility for the overall supervision of the slot machine and bill changer operation for each shift.
 - (e) If a gaming licensee chooses to establish an independent slot department the slot department manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of the gaming licensee's slot machines and bill changers including, without limitation, the hiring and terminating of all slot department personnel and the creation of high employee morale and good customer relations, all in accordance with the policies and practices established by the gaming licensee's board of directors or non-corporate equivalent. In the absence of the slot department manager, the slot shift manager shall have the authority of the slot department manager.
- (9) The following personnel shall, at a minimum, be used to operate a simulcast counter in a simulcasting facility:
- (a) Pari-mutuel cashiers shall be assigned the responsibility of generating, and issuing to patrons, pari-mutuel tickets and credit vouchers, conducting credit card and debit card cash transactions, making simulcast payouts to patrons, and redeeming credit vouchers for patrons. At the discretion of a gaming licensee, a pari-mutuel cashier ("vault cashier") may, alternatively, be assigned the responsibility to control the currency and coin in the simulcast vault.

A vault cashier on a shift shall not perform any other functions of a pari-mutuel cashier on the same shift; and

- (b) Simulcast counter shift supervisor shall be the first level supervisor assigned the responsibility for directly supervising the operation and conduct of the simulcast counter; provided, however, that the simulcast counter shift supervisor may simultaneously assume the responsibilities of a first level supervisor of cage cashiers, if the accounting department is responsible for the operation and conduct of the simulcast counter as permitted by **138.xx** and the cashiers being supervised work in a cage that is adjacent to the simulcast counter.
- (e) Nothing in this section shall be construed to limit a gaming licensee from utilizing personnel in addition to those described herein nor shall anything in this section be construed to limit the discretion of the commission to order the utilization of additional personnel by the gaming licensee necessary.
- (f) The gaming manager or table games shift manager shall notify the commission and the IEB no later than 24 hours in advance of implementing or changing any plan for revised supervision for table games, and the slot shift manager, provided, however, that notice may be provided less than 24 hours in advance in circumstances which are emergent or may otherwise not reasonably be anticipated.
 - (1) Any notice of a plan for revised supervision of table games shall include, without limitation, the following information:
 - (a) The pit number and configuration of any pit affected;
 - (b) The type, location and table number of any table affected;
 - (c) The standard staffing level required for the gaming table or tables and the proposed variance therefrom;
 - (d) The start date and time, and the duration, of the revised supervision; and
 - (e) The basis for the decision to revise the number of supervisory personnel, which shall include any relevant factors which demonstrate that proper operation and effective supervision of the affected gaming tables will be maintained, including, as applicable, a showing:
 - (1) That the revised supervision is justified by a reduced volume of play at the specified times and gaming tables in the gaming establishment;
 - (2) That the particular dealers or supervisors assigned to the affected tables possess a degree of skill and experience indicative of sufficient ability to operate the affected tables with revised supervision, in which case a record of the personnel assigned to such tables during the period of revised supervision shall be maintained;

- (3) That a reduced number of gaming tables will be operating in the affected pits, which are in a configuration to ensure proper supervision and operation; or
 - (4) Any other facts or circumstances which establish that a revision in the number of supervisory personnel is appropriate.
- (a) Any notice of a plan for revised supervision for slot operations shall include the start date and time, and the duration, of the revised supervision.
 - (b) The commission may, at any time upon 12 hours' notice, direct that the plan for revised supervision shall be terminated and that the licensee shall maintain standard staffing levels as defined in 205 CMR (c).

Patron Identification/Patron Complimentaries

138.09: Patron signature file; patron identification records.

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions for the maintenance of records regarding the methodology the gaming licensee will utilize for verifying a patron's identity or signature in circumstances where such verification is required in accordance with the gaming licensee's approved internal controls.

(2) The gaming licensee's verification methodology shall include, at a minimum, the maintenance of a patron identification file, which shall include, at a minimum, the following:

- (a) The patron's name;
- (b) The patron's address;
- (c) The patron's signature;
- (d) The type of identification credentials examined;
- (e) The date and time that the patron identification file was established; and
- (f) The name and signature of the gaming establishment employee who examined the identification credentials of the patron and established the patron identification file.

138.10: Complimentary services or items

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include detailed complimentary distribution program consistent with M.G.L. c.23K, §28.

(2) The gaming licensee's complimentary distribution program shall be such that reasonable assurance is provided that any complimentary services or items, as defined by M.G.L. c.23K, §2, whether provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party, are:

- (a) Issued by employees authorized for such purposes in accordance with the program;
- (b) In accordance with M.G.L. c.23K, §28(c) are valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission; and
- (c) Recorded, compiled and maintained in such a way so as to allow a system of reporting in accordance with M.G.L. c.23K, §28(b) that can report complimentaries by date, issuer, recipient, type, and value.

Security, Safety and Inspection in the Casino

138.11 Internal control procedures for security department

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions describing the duties and operation of its security department.

138.12: Internal control procedures for access badge system and issuance of temporary license credentials, and restricted areas

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions related to credentials. All key gaming employees, gaming employees, and gaming service employees, while engaged in the performance of their duties on the premises of the gaming establishment, shall visibly display a credential issued by the commission on his or her person at all times.

The system of internal controls related to credentials shall at a minimum incorporate the following credentialing system:

- (a) A – Access shall apply to individuals in the following positions: Chief Executive Officer, Chief Operating Officer, President, Audit Committee, Vice Presidents, Directors, General Counsel, Associate General Counsel, Security Employees, Surveillance Employees, Internal Audit Employees. Only those Vice Presidents and Directors directly related to gaming operations, Finance or Administration shall be assigned an "A" access code. All

non-gaming related Vice Presidents and Directors shall be required to have a security escort to gain access to restricted areas.

All employees designated with the "A" access code shall have access to all restricted areas, with limitations on access to the count rooms, surveillance room. Access may be permitted to count rooms while a count is not in progress with a valid reason and permission of the IEB Agent on duty. Access to the surveillance room and catwalks for non-surveillance employees must be with permission of the Director of Surveillance.

(b) M – access shall apply to MIS Employees. All employees designated with the "M" access code shall have access to the MIS computer room. They have access to all other restricted areas with valid reason and prior approval of restricted area department manager. (Access to the count rooms requires permission of the IEB Agent on duty.)

(c) C – access shall apply to Cashiers, Cage Employees, Slot Coin Cage Employees, Collection Employees, Credit Employees, Pit Clerks, Income Control, All Accounting /Finance Employees, Hard Count Room Employees, Soft Count Room Employees, Impressionment Employees, and Simulcast Employees.

All employees designated with the "C" access code shall have access to cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, coin redemption, simulcast counters, and pit areas with valid reason and prior approval of the restricted area department manager. Also, they shall have access to the count rooms to perform functions previously approved in their internal control submissions and with permission of the IEB Agent on duty.

(d) CS – access shall apply to slot attendant supervisors who supervise slot coin cashiers, and slot coin cashiers who report to slot attendant supervisors. All employees designated with the "CS" access code shall have access to slot booths, runways, coin redemption, slot repair room, and to the cashiers cage only when necessary to pass through the cashiers cage to access a slot coin booth or coin redemption. A "CS" badged employee shall not have access to the master coin bank.

(e) P – access shall apply to Casino Games Employees, Poker Games Employees, and Gaming Table Maintenance Employees. All employees designated with the "P" access code shall have access to the casino pit and poker pit areas.

(f) S – access shall apply to Slot Department Employees. All employees designated with the "S" access code shall have access to the slot repair room.

(g) V – access shall apply to all visitors to restricted areas. All visitors to restricted areas shall be designated with the "V" access code and shall have access to restricted areas only when such entry is authorized by an employee designated with "A" access code and the restricted area supervisor. Further, if such entry is so authorized, a visitor may enter a restricted area only when accompanied by an "A" employee or by a security officer, and by notification of the IEB Agent on duty. Visitors may access the surveillance room/catwalks only with the permission of the Director of Surveillance and an IEB agent.

(2) The Commission shall issue an official credential that shall bear the inscription "Massachusetts Gaming Commission," the official seal of the Massachusetts Gaming Commission, the signature of the chair of the commission or his or her designee, as well as a photograph of the licensee or registrant and specific identification information for the person to whom the credential is issued. The information shall include:

- (a) License or registration number.
- (b) Name, and
- (c) Access code.

(3) The credential format shall be in a shape and legibility that will enhance surveillance capability and visual acuity.

(4) Notwithstanding subsection 205 CMR 138.04(1), the Director of the Investigations and Enforcement Bureau or his or her designee, may, upon written request by a gaming licensee, and upon a showing of good cause, exempt certain positions, titles, or persons from the requirements of 138.04(1).

(5) Commission employees, agents or contractors or employees of agencies authorized to conduct regulatory or regulatory related activities pursuant to M.G.L. c.23K at a gaming establishment shall carry their agency credentials on their person at all times while engaged in the performance of their duties. Credentials may not be utilized for unofficial, social, or non-employment related access, purpose or presence within any gaming establishment.

(6) The temporary credential shall only be issued by the security department if the following criteria are verified:

- (a) That the employee to whom the credential is to be issued is listed in the gaming licensee's current employee status report;
- (b) That the employee holds a current license or registration issued in accordance with 205 CMR 134.00;

- (c) That the employee is authorized by his or her supervisor to possess the specific credential to be working in the designated or restricted area authorized by such credential; and
- (d) That the employee has not been issued more than 12 temporary credentials within the preceding 12 month period from the issuance of the first temporary credential.

(7) The temporary credentials shall be issued to the employee only for a 24 hour period and shall contain the following information:

- (a) A prominent space to allow the insertion of the name of the specific employee to whom it is issued;
- (b) The date and time of issuance by the security department;
- (c) Name and credential number of issuing security officer;
- (d) The conspicuous notation that the credential is "VOID AFTER 24 HOURS"; and
- (e) A sequential number reflecting the number of temporary credentials issued at that gaming establishment that is to be recorded in both an onsite IEB and security department bound log book or database.

(8) The IEB will approve the design of the temporary credentials. The gaming licensee's security department will secure them until needed for issuance in compliance with 205 CMR 138.05. The security department shall provide a monthly report to the IEB identifying the number, names, departments and frequency of temporary credentials issued as well as any missing, stolen, destroyed, or replaced credentials. The IEB may require additional information regarding any credential issuance or utilization and the gaming licensee shall provide all such information in a timely fashion.

138.13: Access to public and restricted areas

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions relative to access to restricted areas. No gaming licensee shall permit any individual to have access to any restricted area in its gaming establishment unless such access is permitted in accordance with the gaming licensee's internal controls. Restricted areas shall, at a minimum, include the following areas:

- (a) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, coin redemption. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.x, may enter these restricted areas. Employees must be listed on the cage access list to gain access to the cage. Employees designated with the "M" access code have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area

Comment [TMG3]: Needs to be coordinated with 205 CMR 134.02(t) and 23K, s.30(c).

supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function, however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. Employees designated with the "CS" access code, as provided by 205 CMR 138.x, may enter the slot booths, runways, and coin redemption. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth or coin redemption. A "CS" access code shall not have access to the master coin bank.

- (b) Soft count room and hard count room. All employees designated with the "C" access code, as provided by 205 CMR 138.x, whose duties require access may enter this restricted area. Employees designated with the "A" and "M" access codes, as provided by 205 CMR 138.x, may have access with limitations described under their access letter. Any licensed employee may enter this area with a valid reason, permission of the restricted area supervisor, and the IEB agent on duty.
- (c) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, coin redemption. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.x, may enter these restricted areas. Employees must be listed on the cage access list to gain access to the cage. Employees designated with the "M" access code, as provided by 205 CMR 138.x, may have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function; however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. All employees designated with the "CS" access code, as provided by 205 CMR 138.x, may enter the slot booths, runways, and coin redemption. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth or coin redemption. At no time shall a "CS" access code, as provided by 205 CMR 138.x, have access to the master coin bank.
- (d) Slot repair room. All employees designated with the "A", "CS", and "S" access code, as provided by 205 CMR 138.x, may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.x, have access with limitations described under their access letter. Any ~~casino~~ licensed employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (e) Simulcast counters. All employees designated with the "A" and "C" access code, as provided by 205 CMR 138.x, may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.x, may have access with the

limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor.

- (f) Computer room. All employees designated with the "A" and "M" access code, as provided by 205 CMR 138.x, may enter this restricted area. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. A MIS secretary and/or computer room area cleaner may enter the computer room without a security escort to complete their job function, however these individuals must have the permission of the computer room supervisor and ~~are~~ shall be the sole responsibility of that supervisor.
- (g) Card and dice storage room. All employees designated with the "A" access code, as provided by 205 CMR 138.x, and those games/poker department employees who hold the position of casino/poker shift manager or above may enter this restricted area. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (h) Card and dice destruction room. All employees designated with "A" access code, as provided by 205 CMR 138.x, may enter this restricted area.
- (i) Pit areas. All employees designated with the "A" and "P" access code, as provided by 205 CMR 138.x, may enter this restricted area. Employees designated with the "M", and "C" access codes, as provided by 205 CMR 138.x, may have access with limitations described under their access letter. Any licensed employee may enter this area with a "valid" reason and permission of the restricted area supervisor.
- (j) Surveillance room and catwalks. All employees designated with the "A" access code, as provided by 205 CMR 138.x, who are surveillance room employees may enter this restricted area. All other employees designated with the "A" access code may have access with the limitations described under their access letter. Employees designated with the "M" access code, as provided by 205 CMR 138.x, may have access with the limitations described under their access letter. Anyone who enters this restricted area, who is not a surveillance room employee or a member of the IEB, must sign the surveillance room entry log prior to entering the restricted area. The surveillance room secretary and/or surveillance room area cleaner may enter the surveillance room without a security escort to complete their job function, however these individuals must have the permission of the surveillance room area supervisor and are the sole responsibility of that supervisor.

(k) Access to restricted area for employees who do not hold a gaming employee license. All employees who would not otherwise be afforded access to a restricted area in accordance with 205 CMR 138.xx may be granted access to restricted areas with a valid reason, a security escort, and permission of the restricted area's department manager with limitations on the count rooms, surveillance room. Access may be granted to the count rooms while the counts are not in progress and with permission of the IEB Agent on duty. Access to the surveillance room/catwalks may be granted only with a valid work related reason and permission of the Director of Surveillance.

(2) A gaming licensee may deny or limit access to any public areas of the gaming establishment for any reason necessary to ensure public safety and/or the integrity of the gaming operations, including, but not limited to, the following reasons:

(a) Persons excluded in accordance with 205 CMR 133: *Voluntary Self Exclusion* or M.G.L. c.23K, §45;

(b) Underage persons in a prohibited area;

(c) Players required by a gaming licensee to leave the game of poker in accordance with 205 CMR.

(3) Nothing in 205 CMR 138.x or a gaming licensee's system of internal controls shall limit the authority of commission employees or agents from obtaining access to restricted areas during the performance of their respective duties and responsibilities.

138.14: Searches of employees and the workplace by the gaming licensee

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include internal policies and procedures for the gaming licensee's security department to conduct searches of employees and employee workplaces, workspaces, and personal receptacles, specifically describing the policies and procedures with respect to searches conducted at random and based upon reasonable suspicion. Examples of "workspaces" include, but are not limited to, desks, closets, lockers, and drawers located within the gaming establishment.

(2) If the policies and procedures referenced in 205 CMR 138.50(1) are approved by the commission, such policies and procedures shall be set forth in writing, prior to implementation, as a portion of the gaming licensee's employee personnel policy manual. The content of this manual shall include a requirement that the employee consents to searches conducted in the described workplace areas and subject to the above described circumstances as a condition of

employment with the gaming licensee. This manual shall be distributed to all employees. Each employee shall acknowledge in writing, by way of the employee's signature, receipt of the manual and an understanding of its contents, and the gaming licensee shall maintain such written acknowledgements in a central repository.

138.15: Vendor access badges

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions related to vendor access badges. Access badges may be issued to personnel of a gaming vendor and non-gaming vendor licensed or registered in accordance with 205 CMR 134.00 who in the course of providing their goods or services require access to a restricted area of the gaming establishment. Access badges shall be issued by the security department of the gaming licensee upon a verification of the identification of the specific employee with at least two forms of identification, at least one of which must be a government issued picture identification, and the employee's work schedule. Each access badge shall be effective only for the term of the service to be provided, issued on a daily basis after confirmation of identity, and shall be surrendered to the security department at the end of each day.

(2) The access badge shall contain the following information:

- (a) A prominent space to allow the insertion of the name of the specific person to whom it is issued and identify the vendor employer;
- (b) The date and time of issuance by the security department;
- (c) Name and access badge number of issuing security officer; and
- (d) A sequential number reflecting the number of total badges issued at that gaming establishment that is to be recorded in both an onsite IEB and security department access badge log book or database.

138.16: Count rooms; physical characteristics; count protocols

(1) A gaming licensee shall have one or more rooms to be known as a "count room" specifically designated, designed, and used for counting the contents of table drop boxes, slot cash storage boxes, slot drop buckets and slot drop boxes. If a gaming licensee's system of internal controls provides for counts of the contents of slot drop buckets and slot drop boxes in a different room from the room where the table drop boxes and slot cash storage boxes are counted, that latter shall be known as the "soft count room," and the former shall be known as the "hard count room."

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR

138.01 shall include a description of all equipment used in the counting and recording process and all other systems used for purposes related to the counting of gross revenue and otherwise comport with the requirements of 205 CMR 138.xx.

(3) A gaming licensee shall design and construct each count room to provide maximum security with, at a minimum, the following security measures:

- (1) (a) A metal door installed on each entrance and exit equipped with a lock, the key to which shall be maintained and controlled by the security department;
- (b) An alarm device, which audibly signals the surveillance, security departments, and the on-site IEB office whenever a count room door is opened;
- (c) A light system, which illuminates one or more lights in the surveillance department and at each count room door, for purposes of maintaining constant surveillance on the entrance and exits to the count room;
- (d) Closed circuit television cameras wired to the surveillance department capable of, but not limited to, the following:

- (1) Video monitoring of the entire count process; and

- (2) Continuous video-monitoring of the interior of the count room, including storage cabinets or trolleys used to store drop boxes, slot cash storage boxes, slot drop buckets, and emergency drop boxes; and

- (e) For the soft count room only, microphones wired to the surveillance department for audio monitoring of the entire count process.

(4) In addition to the requirements of 205 CMR (3), a count room used to count slot drop boxes and buckets shall have:

- (1) A fixed-door type or a hand-held metal detector used by a security department member to inspect all persons exiting the hard count room; and

- (2) A separate light system or other device approved by the IEB which shall provide a continuous visual signal at the count room door, whenever any access door to the count room is opened while the system is activated. The light system or device shall:

- (a) Maintain the visual signal until the system is reset or deactivated; and

- (b) Be designed so as to permit its activation, deactivation or resetting only by a member of the security department.

(5) The soft count room shall have:

(a) A table constructed of clear glass or similar material for the emptying, counting, and recording of the contents of drop boxes and slot cash storage boxes which shall be known as the "count table." Prior to the start of the count process, the key which secures the contents of the drop boxes shall be tethered and locked to the count table by the count team supervisor. The key shall not be removed until the count process is completed;

(b) A table constructed of clear glass or similar material for the stacking of the contents of table drop boxes and slot cash storage boxes which have been counted, prior to the recount and acceptance by the cage cashier or cashier supervisor. The table shall be known as the "banking table;" and

(c) A locked accounting box, the key to which shall be maintained and controlled by a supervisor in the casino accounting department with no incompatible functions.

(6) The count room doors shall be secured at all times except when opened for the following authorized purposes:

(a) To allow one or more members of the count team to change shifts or take a work break;

(b) To permit access to equipment by authorized IT department employees;

(c) To permit table drop boxes or slot cash storage boxes to be secured in the count room;

(d) To permit empty table drop boxes, slot cash storage boxes, emergency table game drop boxes or emergency slot cash storage boxes that were not part of the current count to be removed from the count room;

(e) To allow a main bank cashier or cage supervisor to enter the count room to recount and accept the drop;

(f) To allow the count team to exit the room at the conclusion of the count; or

(g) In the event of an emergency.

(7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a workflow diagram that shall indicate, at a minimum, the location of all equipment in a count room, all equipment used in the counting process and the flow of all currency,

coupons, gaming vouchers and paperwork from the start of the count to the conclusion of the count.

(8) The count team may simultaneously count the contents of the table drop boxes and the slot cash storage boxes provided that the contents of the table drop boxes remain segregated from the contents of the slot cash storage boxes throughout the count and acceptance by the main bank cashier or cage supervisor.

(9) Except during an emergency, with the exception of the count team and agents of the IEB, prior to anyone entering or leaving a count room during the soft count process, all contents that have been removed from either a drop bucket, drop box or slot cash storage box shall be counted at least once and secured. Any trolleys that contain uncounted drop boxes or slot cash storage boxes shall be secured.

(10) The opening, counting, and recording of the contents of table drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes shall be performed in the presence of a count room supervisor. The count shall be performed by at least three employees ("count team"), which shall include the count room supervisor. The counting and recording process shall be discontinued where the minimum number of count room personnel is not present or are not capable of performing their responsibilities.

(11) All persons present in the count room during the counting process, except agents of the IEB, shall:

- (a) Wear as outer garments, only a full-length, one-piece, pocketless garment with openings only for the arms, feet, and neck;
- (b) Not be permitted to wear a long sleeve garment under the outer garment; and
- (c) Not be permitted to carry a bag, pocketbook or other container unless it is transparent.

(12) Access to the count room during the counting process shall be limited to the count team, other persons authorized by the IEB, or agents of the IEB. No count room employee shall, during the soft count process, enter a storage area for table drop boxes or slot cash storage boxes adjacent to the count room to perform any function not directly related to the counting process.

(13) No person shall remove his or her hands from or return them to a position on or above the count table, banking table or counting equipment unless the backs and palms of his or her hands are first held straight out and displayed to other members of the count team and surveillance cameras. In addition, whenever any person enters or leaves the count room during the counting process, any employee remaining in the count room shall be required to step away from the count table, banking table and counting equipment until the person has entered or left the countroom.

(14) Immediately prior to the commencement of the count, doors to the count room shall be securely locked and remain locked at all times, except when opened for an authorized purpose in 205CMR(f). A count team member shall notify surveillance that the count is about to begin, after which surveillance shall make a continuous video and, if applicable, audio recording, with the time and date inserted thereon, of the entire counting process. A count room member shall also notify surveillance whenever a count room door will be opened during the count.

(15) Once all currency, gaming vouchers, coupons, coin and/or slot tokens have been counted and the final count totals have been obtained, no employee shall be permitted to leave the count room, except in an emergency, until the recount and acceptance of the drop is completed by a cage cashier or cashier supervisor.

(16) The count room supervisor shall prepare a record of the names and credential or license numbers of each employee who was present in the count room during any part of the count process. Such record shall be forwarded to the accounting department at the conclusion of the count.

138.17: Possession of firearms and destructive devices

(1) No person may possess a firearm or destructive device within a gaming establishment. Persons violating this regulation shall be removed from the establishment by the gaming licensee or law enforcement personnel.

(2) Notwithstanding 205 CMR 138.xx(1), a firearm may be possessed in a gaming establishment by the following individuals in the course of their official duties:

- (a) any official that is specifically authorized by the commission or IEB;
- (b) any member of the Massachusetts State Police or officer of the host community police department assigned to the Gaming Enforcement Unit; and
- (c) any federal, law enforcement officer.

(3) Any other law enforcement officer other than a member of the Massachusetts State Police assigned to the Gaming Enforcement Unit shall first provide notification to an official within the Massachusetts State Police Gaming Enforcement Unit Office on site at the specific gaming establishment location before or upon arrival at the facility. This notification shall be documented with the on-site office of the State Police.

(4) The gaming licensee shall post in a conspicuous location at each entrance to the gaming establishment a legible sign that states:

“Regulations of the Massachusetts Gaming Commission prohibit any person from possessing a firearm within this gaming facility. This prohibition shall extend to all public, non-public, restricted and non-restricted areas of this facility. Persons violating this regulation will be removed from this facility and subject to further investigation and, if appropriate, prosecution. If you have any questions about this Regulation, please request to see an official from the Massachusetts Gaming Commission Office before entering this facility.

“Law enforcement personnel may possess a firearm in the gaming establishment when in the course of their official duties. Please notify the office of the Massachusetts State Police of your presence within this premises by visiting the Gaming Commission office or by calling [telephone number].

138.18: Protection of minors

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include internal policies and procedures including, at minimum, the following:

(1) that the gaming licensee’s security and surveillance department perform regular checks of the parking areas of the gaming establishment for purposes of locating any minors left unattended in motor vehicles and for the immediate report any such incidents to the local and state police in the municipality where the gaming establishment is located; and

(2) security procedures for ensuring the safety of minors on the premises of a gaming establishment.

138.19: Active shooter emergency

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a detailed emergency action plan that describes the facility’s pre-planning and coordination for a series of activities and procedures involving the gaming licensee management and security personnel, the commission on-site officials, the onsite and responding Massachusetts State Police personnel, responding local, county, state law enforcement, EMS and other first responder personnel all in response to verified reporting of an “active shooter” or report of a person with, or presence of, a destructive device within a gaming establishment premises. The gaming licensee’s submission shall be evaluated in terms of its adequacy to assure that reasonable steps have been taken to assure public safety, inter-agency crisis communications, tactical coordination, site facility identification and pre-staging, and as a whole, maximizing the protections afforded to the public, patrons, employees, law enforcement officers, first responders and to minimize where possible on site-first responder misadventure in emergent violent situations.

Construction/design

138.20: Drop boxes for table games and electronic table games; gaming table slot cash storage

boxes

RESERVED

138.21: Cashiers' cage; satellite cages; master coin bank; coin vaults

(1) Each establishment shall have on or immediately adjacent to the gaming floor a physical structure known as a cashiers' cage ("cage") to house the cashiers and to serve as the central location in the gaming area for the following:

- (a) The custody of the cage inventory comprising currency including patrons' deposits, coin, patron checks, gaming chips and plaques, and of forms, documents, and records normally associated with the operation of a cage;
- (b) The approval, exchange, redemption, and consolidation of patron checks received for the purposes of gaming;
- (c) The receipt, distribution, and redemption of gaming chips and plaques
- (d) The issuance, receipt and reconciliation of imprest funds used by slot attendants in the acceptance of currency and coupons from patrons in exchange for currency;
- (e) The issuance, receipt and reconciliation of imprest chip funds and currency used by chippersons in the acceptance of coin, currency, slot tokens and coupons from seated poker patrons in exchange for chips; and
- (f) Such other functions normally associated with the operation of a cage.

(2) If a gaming establishment will make use of coins or tokens in its gaming operation it shall have within the cage or in such other area as approved by the commission a physical structure known as a master coin bank to house master coin bank cashiers. The master coin bank shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein and serve as the central location in the gaming establishment for the following:

- (a) The custody of currency, coin, prize tokens, slot tokens, forms, documents and records normally generated or utilized by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;

- (b) The exchange of currency, coin, coupons, prize tokens and slot tokens for supporting documentation;
 - (c) The responsibility for the overall reconciliation of all documentation generated by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
 - (d) The receipt of coin and slot tokens from the hard count room; and
 - (e) Such other functions normally associated with the operation of the master coin bank.
- (3) The cage shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein; such design and construction shall, at a minimum, include the following features and specifications:
- (a) It shall be fully enclosed except for openings through which materials such as gaming chips and plaques, slot tokens and prize tokens, patron checks, cash, records, and documents can be passed to service the public, gaming tables, and slot booths;
 - (b) It shall have a manually triggered silent alarm system for the cage, ancillary office space, and any related ~~casino~~ vault, which systems shall be connected directly to the monitoring rooms of the closed circuit television system, IEB office and the ~~casino~~ security department office;
 - (c) It shall have double door entry and exit system (MAN-TRAP) that will not permit an individual to pass through the second door until the first door is securely locked. In addition:
 - (1) The first door adjacent to the gaming floor of the double door entry and exit system shall be controlled by the security department. The second door of the double door entry and exit system shall be controlled by the cashiers' cage;
 - (2) The system shall have closed circuit television coverage which shall be monitored by the security department or surveillance department; and
 - (3) Any entrance to the cage that is not a double door entry and exit system shall

be an alarmed emergency exit door only.

(d) It shall have separate locks on each door of the double door entry and exit system, the keys to which shall be different from each other.

(4) Each master coin bank located outside the cage shall meet all the requirements of 205 CMR

(3).

(5) Each gaming establishment may have separate areas for the storage of coin, prize tokens and slot tokens ("coin vaults") in locations outside the cage or master coin bank, as approved by the commission.

(6) Each coin vault shall be designed, constructed and operated to provide maximum security for the materials housed and activities performed therein, and shall include at least the following:

(a) A fully enclosed room, located in an area not open to the public;

(b) A metal door with one key that shall be maintained and controlled by the main bank or master coin bank, which shall establish a sign-in and sign-out procedure for removal and replacement of that key;

(c) An alarm device that signals the monitors of the gaming licensee's closed circuit television system whenever the door to the coin vault is opened; and

(d) Closed circuit television cameras capable of accurate visual monitoring and taping of any activities in the coin vault.

(7) Each gaming establishment may also have one or more "satellite cages" separate and apart from the cashiers' cage, but in or adjacent to a gaming area or simulcasting facility, established to maximize security, efficient operations, or patron convenience and comfort and designed and constructed in accordance with this regulation. Subject to commission approval, a satellite cage may perform any or all of the functions of the cashiers' cage. The functions which are conducted in a satellite cage shall be subject to the applicable accounting controls set forth in 205 CMR.

(8) Each gaming licensee shall file with the commission the names of all persons possessing the combination or keys to the locks securing the entrance to the cage, any satellite cages, master coin bank and coin vaults; as well as all persons possessing the ability to operate alarm systems for the cage, any satellite cages, master coin bank and coin vaults.

(9) Notwithstanding 205 CMR (b), each gaming licensee may, with prior commission approval, operate its cashiers' cage without the master coin bank, provided that the main bank serves as the

central location in the gaming establishment for the transactions enumerated in 205 CMR (b)1 through 5, and provided further, that the references therein and elsewhere in 205 CMR 138.00 to:

(a) "Master coin bank cashiers" shall apply instead to the main bank cashiers assigned the duties and performing the functions that would otherwise be assigned to or performed by master coin bank cashiers; and

(b) The "master coin bank" shall apply instead to the main bank, but only insofar as it is authorized to perform master coin bank functions.

(10) Whenever the 205 CMR or the approved internal controls of a gaming licensee require or authorize documents to be transported from the cashiers' cage to a satellite cage or from a satellite cage to the cashiers' cage or another satellite cage, the gaming licensee shall, unless specified otherwise, transport the documents through the use of a pneumatic tube system or a casino security department representative.

138.22: Simulcast counter

Comment [TMG4]: Need to reconcile with racing regs

(1) A simulcasting facility shall contain a physical structure known as a simulcast counter to house the pari-mutuel cashiers and to serve as the central location in the simulcasting facility for the following:

- (a) The custody of the simulcast counter inventory including, without limitation, currency and coin and the forms and documents normally associated with the operation of a simulcast counter;
- (b) The receipt of currency, coin, gaming chips, coupons and slot tokens for simulcast wagering;
- (c) The issuance of cash to patrons upon the presentation of a recognized credit or debit card in accordance with these regulations; and
- (d) Such other functions normally associated with the operation of a simulcast counter.

(2) The simulcast counter shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein; such design and construction shall, at a minimum, include the following:

- (a) One or more numbered pari-mutuel windows, each of which shall contain a pari-mutuel machine and a cashier's drawer, in which shall be deposited all currency, coins, gaming chips, slot tokens, coupons and duplicate slips evidencing exchanges

with the cashiers' cage, satellite cage or simulcast vault, or a self-service pari-mutuel machine;

(b) A work area containing at least one remote management console ("RMC") and terminal to generate reports on pari-mutuel wagering, which shall be used only by the simulcast shift supervisor or above, and casino pari-mutuel cashiers, who shall only be allowed access under the direct supervision of the simulcast supervisor or above; and,

(c) A simulcast vault, which shall:

(1) Be secured by a lock, the key to which shall be:

(a) Different from the key to any lock in the cashiers' cage or satellite cage; and

(b) Maintained and controlled by the simulcast shift supervisor or above; and

(2) Contain a supply of currency and coin under the control of a vault cashier, simulcast shift supervisor or above to be utilized for the pari-mutuel window inventories and to replenish the pari-mutuel window inventories, when necessary.

(3) The simulcast counter may be contiguous to a cashiers' cage or satellite cage with ingress and egress thereto, provided that the simulcast counter and cashiers' cage or satellite cage are functionally segregated.

(4) A simulcasting facility may contain one or more ancillary simulcast counters to house pari-mutuel cashiers. An ancillary simulcast counter shall comply with all of the provisions of 205 CMR 138.x and 205 CMR (a) and (b); provided however, that the requirements of a direct dial-up telephone line, RMC, simulcast vault and simulcast shift supervisor for the ancillary simulcast counter, or any of them, may be waived if, considering, among any other relevant factors, the number of pari-mutuel windows in the ancillary simulcast counter, the proximity of the ancillary simulcast counter to the simulcast counter, and the span of authority and responsibility of the supervisor, the commission determines that any such requirement is not necessary to the maintenance of adequate supervision of the simulcast wagering operations.

138.23: Keys for dual locks; gaming licensee-controlled keys and locks; notice to the IEB and surveillance department upon malfunction and repair, maintenance or replacement

(1) Any key, locking mechanism or locking system that is required by 205 CMR 138.00 shall be patented. Such key shall be legally duplicable only by the manufacturer or an agent or successor thereof, and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the gaming establishment.

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a process for inventorying and identifying each controlled key, locking mechanism, or locking system and setting forth the procedure by which the key, locking mechanism, or locking system shall be controlled. Such internal controls shall, at a minimum, include an enumeration of those incidents or events which, if they occurred, would compromise the security of the gaming licensee's locking systems and require it to immediately comply with the provisions herein.

(3) The types of secure boxes, compartments or locations that require a unique key, locking mechanism, or locking system shall include, without limitation, the following:

- (a) Drop boxes;
- (b) Slot cash storage boxes;
- (c) Trolleys to transport drop boxes from gaming tables to a secure location;
- (d) Trolleys or cabinets used to transport or store, respectively, slot cash storage boxes;
- (e) Count room entrance and exit doors;
- (f) Compartments housing slot drop buckets;
- (g) Slot drop boxes;
- (h) Compartments housing slot drop boxes;
- (i) Areas in which slot cash storage boxes are located;
- (j) Compartments housing microprocessors or other control units controlling progressive meter(s) for progressive slot machines;
- (k) Locations housing a computer that controls a progressive payout wager system for gaming tables offering a progressive payout wager; and
- (l) Storage cabinets or trolleys for unattached slot drop boxes.

(4) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include inventory procedures for any key required to be controlled and maintained by a gaming licensee and for any corresponding locking device including, without limitation, any key and locking device required by 205 CMR 138.00 for a dual control locking system. The key and locking device inventory controls of each gaming licensee shall include, at a minimum,

procedures for:

(a) Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:

- (1) The requisitioning of keys and locking devices from vendors;
- (2) The receipt of blank key stock;
- (3) The storage and issuance of keys and locking devices;
- (4) Any loss, removal from service, and subsequent replacement of keys and locking devices;
- (5) The destruction of keys and locking devices; and
- (6) The results of physical inventories;

(b) The storage of duplicate keys and locking devices, including a physical description of any storage location and the identification of authorized personnel in control of such location;

(c) The destruction of keys and locking devices, including documentation detailing in whose presence any destruction shall occur; and

(d) Physical inventories of all keys and locking devices at least once every 12 months.

(5) A gaming licensee shall notify the IEB and its surveillance department immediately upon becoming aware of any malfunction of any alarm system or alarmed door, and upon any emergency service to restore their proper function. In addition, a gaming licensee shall provide the IEB and its surveillance department with at least 24 hours written notice prior to effecting any non-emergency repair, maintenance or replacement of any such alarm system or alarmed door including, without limitation:

- (a) Alarm systems for any emergency exit from the gaming floor or simulcasting facility;
- (b) Alarm systems for the cage, its ancillary office space and any related vault;
- (c) Alarm systems for any master coin bank located outside the cage;
- (d) Alarmed emergency exit door(s) for the cage;

- (e) Alarmed doors to vaults signaling the closed circuit television system;
- (f) Alarmed doors to count rooms signaling the monitoring rooms and the security department;
- (g) Alarm systems providing for a continuous visual signal whenever any access door to the count room is open; and
- (h) Alarm systems for any slot cashier window in a slot booth.

138.24: Capital expenditure plan

A gaming licensee shall make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the gaming establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission. If the gaming licensee intends to make capital expenditures as part of a multi-year capital plan, the plan shall be submitted to the commission as part of its system of internal controls in accordance with 205 CMR 138.01.

Casino Operations

138.25: Gaming day

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall specify what the 'gaming day' will be for accounting purposes. Each gaming licensee may establish a gaming day for slot machines which is different from its gaming day for table games; provided, however, that no gaming day shall be longer than 24 hours

Area functions

138.26: Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include protocols and procedures for the function of the cashiers' cage, satellite cages, master coin bank, and coin vaults that, at a minimum, comport with the following:

- (1) The assets for which the general cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift shall record on a Cashiers' Count Sheet or by electronic means the face value of each cage inventory item counted

and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory.

(2) At the opening of every shift, in addition to the imprest funds normally maintained by the general cashiers, each gaming licensee shall have on hand in the cage, or readily available thereto, a reserve cash bankroll adequately funded to pay winning patrons.

(3) Except as otherwise authorized by **138.xx**, the cashiers' cage and any satellite cage shall be physically segregated by personnel and, at a minimum, function as follows:

- (a) General cashiers shall operate with individual imprest inventories of cash and, at the discretion of the gaming licensee, slot tokens and gaming chips, and such cashiers' functions shall include, but are not limited to the following:
 - (1) Receive cash, cash equivalents, patron checks, gaming chips, complimentary cash gifts, casino checks, casino affiliate checks, annuity jackpot trust checks, redemption receipts, slot tokens and gaming plaques from patrons for check consolidations, total or partial redemptions or substitutions;
 - (2) Receive gaming chips, slot tokens and prize tokens from patrons or authorized employees pursuant to **138.xx** or **138.xx** in exchange for cash;
 - (3) Receive cash, cash equivalents, casino checks, casino affiliate checks and annuity jackpot trust checks from patrons in exchange for currency, slot tokens or coin;
 - (4) Receive checks for non-gaming purposes from patrons in exchange for cash;
 - (5) Receive cash, cash equivalents, casino checks, casino affiliate checks, annuity jackpot trust checks, slot tokens, prize tokens and gaming chips from patrons in exchange for Customer Deposit Forms;
 - (6) Receive gaming plaques from patrons in exchange for cash or Customer Deposit Forms in accordance with an approved system of accounting;
 - (7) Receive Customer Deposit Forms from patrons in exchange for cash or slot tokens;
 - (8) Receive coupons from patrons in exchange for currency, slot tokens or coin, in conformity with **138.xx**;
 - (9) Receive checks from check cashiers to be returned to patrons for check redemptions, partial redemptions, consolidations or substitutions;
 - (10) Receive Wire Transfer or Electronic Fund Transfer Acknowledgment Forms in accordance with **138.xx** for the purpose of completing Customer Deposit Forms;
 - (11) Receive from check, chip bank, master coin bank and reserve cash cashiers documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;
 - (12) Receive Voucher forms in accordance with **138.xx** for the processing of travel expense reimbursements;

- (13) Exchange Slot Counter Checks in accordance with **138.xx**;
 - (14) Prepare Jackpot Payout Slips in accordance with **138.xx**;
 - (15) Prepare Hopper Fill Slips in accordance with **138.xx**;
 - (16) Receive slot tokens from, and transmit slot tokens and prize tokens to, the master coin bank in exchanges supported by proper documentation;
 - (17) Prepare forms for the completion of payments for table game progressive payout wagers pursuant to **138.xx**;
 - (18) Receive gaming vouchers from patrons in exchange for currency, slot tokens or coins, or from authorized employees in exchange for cash, in conformity with **138.xx**;
 - (19) Prepare patron credit files and verify information therein supporting patron credit applications in accordance **138.xx**;
 - (20) Prepare redemption receipts in accordance with **138.xx**;
 - (21) Issue, receive and reconcile imprest funds used by slot attendants, including an imprest change/pouch payout fund not exceeding \$5,000, to be used in accordance with **138.xx**;
 - (22) Exchange currency for coupons, currency and Pouch Payout Slips from slot attendants;
 - (23) Receive cash and gaming chips from patrons for gaming chips, if operating with an imprest inventory of gaming chips; and
 - (24) Receive gaming chips from the chip bank in exchanges supported by proper documentation, if operating with an imprest inventory of gaming chips.
- (b) Check cashiers (also known as "check bank cashiers") shall not have access to cash, gaming chips and plaques, except in accordance with 205 CMR(4), and such cashiers' functions may include the following:
- (1) Receive the original and redemption copies of Counter Checks and Slot Counter Checks;
 - (2) Receive from general cashiers, checks accepted for total or partial Counter Check and Slot Counter Check redemptions;
 - (3) Receive checks from general cashiers for Counter Check and Slot Counter Check consolidations;
 - (4) Receive personal checks from general cashiers for Counter Check and Slot Counter Check substitutions;
 - (5) Prepare bank deposit slips or supporting documentation for checks to be deposited;
 - (6) Receive Wire Transfer or Electronic Fund Transfer Acknowledgment Forms in accordance with **138.xx** for the purpose of redeeming Counter Checks and Slot

Counter Checks or accepting payment on returned Counter Checks and Slot Counter Checks; and

- (7) Receive from general, chip bank and reserve cash cashiers' documentation with signatures thereon, required for the effective segregation of functions in the cashiers' cage.

(c) Chip bank cashiers shall not have access to currency or cash equivalents, but shall operate with a limited inventory of \$0.50 and \$0.25 coins which may only be used to facilitate odds payoffs or vigorish bets, except in accordance with 205 CMR (4). Such cashiers' functions may include the following:

- (1) Receive gaming chips and coin removed from gaming tables from a security department member in exchange for the issuance of a Credit;
- (2) Receive gaming plaques removed from gaming tables from a security department member in exchange for the issuance of a credit in accordance with an approved system of accounting controls;
- (3) Receive Requests for Fills in exchange for the issuance of a Fill, the dispersal of gaming chips and coin to a security department member and the dispersal of gaming plaques to a security department member in accordance with an approved system of accounting controls;
- (4) Receive gaming chips from the general cashiers, main bank cashiers, master coin bank cashiers, cage supervisors and personnel assigned to a non-cage employee redemption site in exchange for proper documentation;
- (5) Receive from general, check bank and reserve cash cashiers documentation with signatures thereon, required for the effective segregation of functions in the cashiers' cage;
- (6) Receive proper documentation from chippersons and general cashiers in exchange for imprest inventories of gaming chips, to be used in conformity with this chapter; and
- (7) Such other functions as approved by the commission.

(d) Reserve cash ("main bank") cashiers' functions shall include, but are not limited to, the following:

- (1) Receive cash, gaming vouchers, cash equivalents, issuance copies of Slot Counter Checks, original copies of Jackpot Payout Slips, personal checks received for non-gaming purposes, slot tokens, prize tokens, gaming chips and plaques from general cashiers in exchange for cash;
- (2) Receive cash from the coin and currency count rooms;
- (3) Receive checks and supporting documentation from check cashiers for deposit if such deposit is not made by the check cashier;
- (4) Prepare the overall cage reconciliation and accounting records;
- (5) Prepare the daily bank deposit for cash and checks;

- (6) Issue, receive and reconcile imprest funds used by slot attendants and chippersons;
 - (7) Exchange currency for coupons and currency from slot attendants;
 - (8) Receive from general, chip and check bank cashiers, documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;
 - (9) Be responsible for the reserve cash bankroll;
 - (10) Receive gaming chips, slot tokens and coupons from the simulcast vault or casino pari-mutuel cashiers;
 - (11) Exchange currency, coin, slot tokens, gaming chips and coupons with the keno booth in exchange for proper documentation;
 - (12) Perform the functions enumerated in 205 CMR (c)5 of master coin bank cashiers, but only to the extent that the gaming licensee has obtained, pursuant to **138.xx**, prior commission approval to operate its cashiers' cage without the master coin bank specified by **138.xx**;
 - (13) Receive unsecured currency, unsecured gaming vouchers and unsecured coupons from slot department representatives or casino accounting department representatives pursuant to **138.xx**;
 - (14) Prepare Unsecured Bill Changer Currency/Coupon Reports in accordance with **138.xx**;
 - (15) Receive slot tokens, prize tokens and gaming chips from personnel assigned to a non-cage employee redemption site in exchange for proper documentation;
 - (16) Receive slugs from the hard count room and slot department and maintain the slugs in inventory until destroyed in accordance with **138.xx**
 - (17) Prepare Cash Fills and Balance Receipts in accordance with **138.xx** and **138.xx**
 - (18) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers and returned coin with respect to the operation of automated jackpot payout machines;
 - (19) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers, returned coin and bill validator boxes with respect to the operation of gaming voucher redemption machines;
 - (20) Receive, from a count room, cash counted from bill validator boxes in exchange for proper documentation; and
 - (21) Perform exchanges with the master coin bank supported by proper documentation in accordance with approved internal controls.
- (e) Master coin bank cashiers' functions shall include, but are not limited to, the following:
- (1) Receive currency, coin, slot tokens, prize tokens, gaming chips, gaming vouchers and coupons from slot cashiers in exchange for proper documentation;

- (2) Receive coin and slot tokens from the hard count room;
- (3) Provide slot cashiers with currency, coin, prize tokens and slot tokens in exchange for proper documentation;
- (4) Issue, receive and reconcile imprest funds used by slot attendants, including an imprest change/pouch payout fund not exceeding \$5,000, to be used in accordance with 19:45-1.40E;
- (5) Exchange currency for coupons, currency and Pouch Payout Slips from slot attendants;
- (6) Prepare the daily bank deposit of excess cash;
- (7) Prepare Jackpot Payout Slips in accordance with **138.xx**;
- (8) Prepare Hopper Fill Slips in accordance with **138.xx**;
- (9) Receive slot tokens and prize tokens from cage supervisors, general cashiers, main bank cashiers and personnel assigned to a non-cage employee redemption site, and transmit slot tokens to general cashiers in exchanges supported by proper documentation;
- (10) Exchange currency, coin, slot tokens, gaming chips and coupons with the keno booth and simulcast counter in exchange for proper documentation;
- (11) Receive slugs from the hard count room and slot department and maintain the slugs in inventory until destroyed in accordance with **138.xx**;
- (12) Prepare Cash Fills and Balance Receipts in accordance with **138.xx**;
- (13) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers and returned coin with respect to the operation of automated jackpot payout machines;
- (14) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers, returned coin and bill validator boxes with respect to the operation of gaming voucher redemption machines;
- (15) Receive, from a count room, cash counted from bill validator boxes in exchange for proper documentation; and
- (16) Perform exchanges with the main bank supported by proper documentation in accordance with approved internal controls.

(4) Notwithstanding the requirements of **138.xx**, a gaming licensee may consolidate the functions of the chip bank cashier with the functions of the check cashier, by providing for consolidated cashier functions in its system of internal controls submitted in accordance with 205 CMR 138.01.

(5) Signatures attesting to the accuracy of the information contained on the Cashiers' Count Sheet shall be provided, at a minimum, by the following cashiers after preparation of Cashiers' Count Sheet:

- (a) The general cashiers assigned to the incoming and outgoing shifts;

- (b) The check cashiers assigned to the incoming and outgoing shifts;
- (c) The chip bank cashiers assigned to the incoming and outgoing shifts;
- (d) The reserve cash cashiers assigned to the incoming and outgoing shifts;
- (e) The master coin bank cashiers assigned to the incoming and outgoing shifts; and
- (f) The slot cashiers assigned to the incoming and outgoing shifts.

(6) At the end of each gaming day, at a minimum, a copy of the Cashiers' Count Sheets and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms, records, and documents required by this chapter, agreement of transportation reimbursement disbursements with supporting documentation and recording of transactions.

(7) Coin vaults authorized pursuant to **138.xx** shall be under the control of the accounting department or an independent slot machine cage department established pursuant to **138.xx**. The storage of coin, prize tokens or slot tokens in, or the removal of coin, prize tokens or slot tokens from, any coin vaults shall be properly documented, and the amount of coin, prize tokens and slot tokens in each coin vault shall be reconciled at the end of each gaming day.

(8) If the gaming establishment permits the use of coins or tokens for slot machine play, at least 10 percent of all bags of coins or slot tokens counted and bagged by each slot cashier, master coin bank cashier or main bank cashier outside of the count room shall be randomly selected and recounted by a slot cashier supervisor or cage supervisor, as applicable, through the use of a weighing device or a counting device. Unless otherwise approved by the commission, the recount shall be performed prior to the end of the cashier's shift and shall be recorded on supporting documentation in a manner approved by the Commission. In the alternative, a gaming licensee's internal control procedures may be designed to ensure that at least 10 percent of all bags of coins or slot tokens counted and bagged by each slot cashier, master coin bank cashier or main bank cashier outside of the count room shall be randomly selected and recounted. If a discrepancy greater than plus or minus \$1.00 for any denomination of bagged coins or greater than plus or minus one token for bagged slot token denominations of \$25.00 and below is found during the weighing of the sample bag, then the sample bag shall be opened and recounted by a counting machine provided, however, for slot token denominations greater than \$25.00, any discrepancy shall require a recount. Notwithstanding the foregoing, a representative of the commission may direct a slot cashier, master coin bank cashier or main bank cashier to weigh or recount any bag of coins or slot tokens prepared outside of the count room on a random basis.

(9) The assets for which a chipperson are responsible shall be maintained on an imprest basis which, at a minimum, shall provide documentation to the chip bank, main bank and chipperson for the receipt of the imprest inventory and any subsequent receipt of gaming chips and currency, and documentation to the main bank for the return of the chipperson's inventory at the end of his

or her shift. The main bank shall be responsible for the return to the chip bank of any gaming chips remaining in the chipperson's possession at the end of his or her shift.

138.27: Accounting controls within the simulcast counter

Comment [TMG5]: Reconcile with racing regs

If a gaming licensee intends to engage in simulcasting it must include in its system of internal controls submitted in accordance with 205 CMR 138.01 protocols and procedures for such operation that, at a minimum, meet the following requirements:

- (1) Whenever a pari-mutuel cashier begins a shift, he or she shall commence with an amount of currency and coin to be known as the "simulcast inventory," and no simulcasting facility shall cause or permit currency, coin, gaming chips, slot tokens or coupons to be added to, or removed from, such simulcast inventory during such shift except:
 - (a) In collection of simulcast wagers;
 - (b) In order to make change for a patron buying a pari-mutuel ticket;
 - (c) In collection for the issuance of credit vouchers;
 - (d) In payment of winning or properly cancelled or refunded pari-mutuel tickets;
 - (e) In payment for credit vouchers; or
 - (f) In exchanges with the cashiers' cage, a satellite cage or simulcast vault.
- (2) A "simulcast count sheet" shall be completed and signed by the vault cashier or simulcast shift supervisor at the simulcast vault or other designated area as approved by the commission, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:
 - (a) The date, time and shift of preparation;
 - (b) The denomination of currency and coin in the simulcast inventory issued to the casino pari-mutuel cashier;
 - (c) The total amount of each denomination of currency and coin in the simulcast inventory issued to the pari-mutuel cashier;
 - (d) The pari-mutuel window number to which the pari-mutuel cashier is assigned; and
 - (e) The signature of the vault cashier or simulcast shift supervisor.
- (3) The pari-mutuel cashier assigned to the pari-mutuel window shall count the simulcast inventory in the presence of the vault cashier or simulcast shift supervisor at the simulcast vault, or other designated area as approved by the commission, and shall reconcile the count with the simulcast count sheet. The pari-mutuel cashier shall sign the count sheet attesting to the accuracy of the information recorded thereon.
- (4) The simulcast inventory shall be placed in a cashier's drawer and transported directly to the appropriate pari-mutuel window by the pari-mutuel cashier.

(5) At the conclusion of a pari-mutuel cashier's shift, the cashier's drawer and its contents shall be transported directly to a designated area in the simulcast counter, where the pari-mutuel cashier shall count the contents of the drawer and record the following information, at a minimum, on the simulcast count sheet:

- (a) The date, time and shift of preparation;
- (b) The denomination of currency, coin, gaming chips, slot tokens and coupons in the drawer;
- (c) The total amount of each denomination of currency, coin, gaming chips, slot tokens and coupons in the drawer;
- (d) The total of any exchanges;
- (e) The total amount in the drawer; and
- (f) The signature of the pari-mutuel cashier;

(6) The vault cashier or simulcast shift supervisor shall compare the pari-mutuel window net for the shift as generated by the terminal and if it agrees with the simulcast count sheet total plus the simulcast inventory, shall agree the count to the simulcast count sheet and sign the simulcast count sheet attesting to the accuracy.

(7) If the pari-mutuel window net for the shift as generated by the RMC does not agree with the simulcast count sheet total plus the simulcast inventory, the vault cashier or simulcast shift supervisor shall record any overage or shortage. If the count does not agree, the pari-mutuel cashier and the vault cashier or simulcast shift supervisor shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved by the pari-mutuel cashier and the vault cashier or simulcast shift supervisor, such discrepancy shall immediately be reported to the simulcast counter manager, or department supervisor in charge at such time, the security department and the IEB verbally. If the discrepancy is \$500.00 or more, a security department member shall complete the standard security report in writing, as approved by the IEB, and immediately forward a copy to the commission.

Procedures

138.28: Procedure for accepting cash and coupons at gaming tables

RESERVED

138.29: Table game drop boxes, transport to and from gaming tables; storage boxes

RESERVED

138.30: Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; Unsecured currency; recording of meter readings for slot machine drop

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures and protocols relative to the removal of slot drop boxes, slot cash storage boxes, unsecured currency, and the recording of meter readings for slot machine drop that, at a minimum, incorporates the requirements of 205 CMR 138.xx.

- (a) A gaming licensee shall file with the IEB a schedule setting forth the specific times at which the slot drop buckets, slot drop boxes and slot cash storage boxes ("slot drop containers") will be brought to or removed from the slot machines. The schedule shall include the number of slot drop containers to be removed each day by zone or other designation. No slot drop container shall be removed from a slot machine at other than the times specified on such schedule except with contemporaneous notification to the IEB. The slot drop containers shall be removed at least once a week. If an approved slot monitoring system is used to generate a slot drop estimate report pursuant to **138.xx**, the schedule for the removal of slot drop boxes and slot drop buckets may be extended.
- (b) All slot drop containers which are not actively in use shall be stored in the count room or other secure area outside the count room as approved by the IEB. In addition, slot drop boxes and slot cash storage boxes shall be stored in an enclosed storage cabinet or trolley, secured by a key maintained and controlled by the security department. Control of the key shall be limited to supervisors in that department and shall be documented, at a minimum, by a sign-out and sign-in procedure in accordance with the security submission approved by the IEB.
- (c) Slot drop containers shall be removed from a slot machine by at least three employees, two of whom shall be members of the casino security department and one of whom shall be a member of the accounting department ("the slot drop team"). An accounting department member shall be the drop team supervisor and shall be a key licensee. Other than security department member, all employees participating in the removal of slot drop containers shall wear as outer garments only a full-length, one-piece pocketless garment with openings only for the hands, feet and neck. Each gaming licensee shall also maintain and make available to the IEB upon request, the names and credential numbers of the slot drop team.
- (d) The drop team supervisor shall notify the surveillance department at the commencement of the slot drop process. Surveillance shall make a continuous video recording, with the time and date inserted thereon, of the entire slot drop container removal process.

(e) A security department member shall sign out the count room door key and padlock key, which are maintained and controlled by the security department. Access to these keys shall be limited to security supervisors and shall be controlled, at a minimum, by a sign-out and sign-in procedure described in the gaming licensee's security internal control submission as approved by the IEB.

(f) To begin the scheduled slot drop container removal process, the drop team supervisor shall perform a physical count of the empty slot drop containers removed from storage. The count and the gaming date shall be documented on a two-part slot drop container verification form. The drop team supervisor shall compare the count of the empty slot containers to the collection schedule. Any discrepancy between the number of empty slot drop containers physically counted and the number indicated on the collection schedule shall be recorded on the slot drop container verification form and signed by the drop team supervisor.

(g) The security department member shall remove the trolley(s) containing the empty slot drop containers from the count room or other storage area and transport them to a slot zone.

(h) Prior to removing any slot drop containers, a security department member shall, at a minimum:

- (1) Notify patrons that a slot machine will be closed for removing slot drop containers;
- (2) Restrict patrons from the slot aisles where slot drop containers are removed;
- (3) Secure the area while the slot drop containers are removed;
- (4) Secure full slot drop containers while they are transported within the gaming establishment; and
- (5) Remain with the trolley at all times.

(i) Procedures and requirements for removing slot drop containers from the slot machines shall be as follows:

- (1) The slot drop container shall be removed from its compartment. An empty slot drop container, corresponding to the slot machine, shall be placed into the compartment after which the compartment shall be closed and secured; and

(2) The slot drop boxes or slot cash storage boxes removed from the slot machines shall be placed immediately in an enclosed trolley which is secured by a locking system. The locking system shall be maintained and controlled by the casino security department.

(j) For each trolley, the drop team supervisor shall record on a slot drop container verification form, at a minimum, the following:

(1) The gaming date; and

(2) The number of slot drop containers which have been removed from the slot machines and placed into the trolley.

(k) Prior to the placement of each trolley in the count room, the drop team supervisor shall:

(1) Count and record the total number of slot drop containers collected and verify that the number collected agrees with the count recorded on the slot drop container verification form. Any discrepancies between the number of collected slot drop containers and the number on the schedule shall be separately recorded on the slot drop container verification form;

(2) Secure the slot containers in the trolley utilizing a padlock;

(3) Sign the slot drop container verification form attesting to the accuracy of such reconciliation and that the trolley has been secured; and

(4) Obtain the signature of a security department member on the slot drop container verification form attesting to the accuracy of such reconciliation and that the trolley has been secured.

(l) All slot drop containers removed from the slot machines and the slot drop container verification forms shall be transported directly to, and secured in the count room by a casino security department member and a member of the accounting department. A gaming licensee may, temporarily, store trolleys in a secure staging area outside of the count room before being transferred to the count room as approved by the IEB. The security measures shall require that the staging area be recorded by the surveillance department and guarded by at least one casino security department representative whenever slot drop containers are temporarily stored in the area.

(m) A slot cash storage box removed from a bill changer in order to service the bill changer may be temporarily and securely stored in the locked base of the corresponding slot machine (the compartment authorized to contain the slot drop bucket or slot drop box) and shall be replaced and secured in the bill changer when the repairs are completed. At no time shall the bill changer under repair be left unattended while the slot cash storage box is secured in the base of the slot machine. If the repairs cannot be completed and the slot cash storage box cannot be replaced in the bill changer, or if the bill changer must be removed from the gaming area, the slot cash storage box shall be removed from the secure slot compartment and transported to the count room in accordance with 205 CMR (n).

(n) A full or inoperable slot drop box or slot cash storage box that must be replaced outside of the slot drop schedule shall be replaced with an empty emergency slot drop box or slot cash storage box by a security department member and a slot or cage supervisor as follows:

(1) A security department member shall notify the surveillance department which shall monitor and record the transaction. If more than one slot drop box or slot cash storage box is being removed, such notification shall include the sequence in which the boxes will be removed and replaced;

(2) The security department member shall complete a three-part emergency box form documenting the replacement of the slot drop box or slot cash storage box. The form shall include at a minimum:

(a) The date and time;

(b) The asset and location number;

(c) The reason for the removal; and

(d) The signatures of the security department member and slot or cage supervisor participating in the process;

(3) The casino security department member shall sign out the keys to the count room and emergency box cabinet or trolley and the bill changer compartment. The keys shall be maintained and controlled by the casino security department. Access to these keys shall be limited to casino security supervisors and shall be controlled, at a minimum, by a sign-out and sign-in procedure described in the internal control system;

(4) The casino security department member and a slot or cage supervisor shall obtain the emergency box from the count room;

(5) The emergency box form shall be distributed by the security department member as follows:

(a) The original affixed to the emergency slot drop box or slot cash storage box;

(b) The duplicate placed in a locked accounting box; and

(c) The triplicate delivered within 24 hours of preparation to the IEB's onsite office;

(6) A slot department member, in the presence of a casino security department member and the slot or cage supervisor, shall remove the full or inoperable slot drop box or slot cash storage box from the slot machine and replace it with the empty emergency slot drop box or slot cash storage box;

(7) The slot drop box or slot cash storage box removed from the slot machine shall be transported by the casino security department member and slot or cage supervisor to the count room and secured in an emergency drop box cabinet or trolley;

(8) For each full or inoperable slot drop box or slot cash storage box exchanged, the casino security department member or slot or cage supervisor shall record on an emergency box log, to be maintained with the emergency drop box cabinet or trolley, the following:

(a) The date and time the slot drop box or slot cash storage box was secured in the cabinet or trolley;

(b) The slot drop box or slot cash storage box location and asset number; and

(c) The signatures of the casino security department member and cage or slot supervisor participating in the emergency slot drop box or slot cash storage box process; and

(9) The keys shall be returned and signed in by a casino security department supervisor.

(o) Whenever currency, a gaming voucher, or a coupon is found inside a bill changer but outside of the slot cash storage box ("unsecured drop") during the collection of slot cash storage boxes, a count team member and a member of the casino security department shall complete and sign a two-part form which includes the asset number in which the unsecured drop was found, the date the unsecured drop was found, and the total value of the unsecured

drop. The unsecured drop and the original form shall be transported to the count room and counted and recorded with the contents removed from the corresponding slot cash storage box. The duplicate of the form shall be placed in a locked accounting box. Upon completion of the count, the original form shall be placed in a locked accounting box located in the count room. The accounting department will retrieve the original form and reconcile it to the duplicate.

(p) Whenever unsecured drop is found at times other than the collection of slot cash storage boxes, a slot department member shall notify surveillance and complete and sign the form referenced in 205 CMR (o). The unsecured drop and the original form shall be transported by the slot department member, escorted by a security department member, to the cashiers' cage where a cashier shall sign the form. The unsecured drop and original shall be retained by the cashier, and the slot department member shall place the duplicate form in a locked accounting box. The accounting department shall reconcile the original form to the duplicate.

(q) Upon receipt of an unsecured gaming voucher or coupon, the cage cashier in the presence of the slot department member shall deface the gaming voucher or coupon, to the extent necessary, so as to prevent subsequent redemption.

(r) At the end of the gaming day, at a minimum, the original unsecured drop forms and as applicable, gaming vouchers and coupons, shall be forwarded to the accounting department. The accounting department shall reconcile the original and duplicate forms and record the appropriate amount on the Slot Win Report.

(s) In conjunction with the removal of any slot drop container, a gaming licensee shall manually read, or cause an approved slot monitoring system to record, the in-meter, drop meter, out-meter, attendant paid jackpots meter, attendant paid cancelled credits meter, bill meters and handle pull meter. In addition, the following meters shall be read and recorded:

(1) If the slot machine accepts gaming vouchers, the numerical and value cashable gaming voucher meters, and the numerical and value non-cashable gaming voucher meters;

(2) If the slot machine accepts coupons enrolled in the gaming voucher system, the numerical and value cashable coupon meters and numerical and value non-cashable coupon meters;

(3) If the slot machine accepts promotional credits, the electronic cashable credit meter and the electronic non-cashable credit meter; and

(4) If the slot machine accepts funds from an account based wagering system, the

wagering account transfer-in meter and the wagering account transfer out meter.

(t) The slot monitoring system shall provide a report to the accounting department for a comparison of the meter readings to the count room reports and the calculation of each slot machine's payout percentage. Only members of the accounting department shall have the authority to adjust meter readings subsequent to the count.

(u) Nothing in 205 CMR 138.00 or a gaming licensee's internal controls shall preclude the IEB from requiring a gaming licensee to read slot machine meter manually as a condition of a prototype approval, as a remedial measure in the event of a malfunction, or as it may otherwise deem necessary to ensure the integrity of gaming and the accurate reporting of gross revenue.

138.31: Procedures for acceptance of tips or gratuities from patrons

(1) In accordance with M.G.L. c.23K, §25(g), no key gaming employee or any other gaming employee who serves in a supervisory position shall solicit or accept a tip or gratuity from a player or patron in the gaming establishment where the employee is employed.

(2) In accordance with M.G.L. c.23K, §25(g), a dealer may accept tips or gratuities from a patron at the table game where such dealer is conducting play provided, however, that such tips or gratuities shall be placed in a pool for distribution among other dealers. A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include policies and procedures governing the manner in which tips and gratuities shall be set aside for the dealer pool as well as the manner of distribution among dealers, which shall, at a minimum, incorporate the following principles:

- (a) At their election, the dealers shall be responsible for the collection, counting, and distribution of the tips and gratuities;
- (b) The gaming licensee shall cooperate in the collection, counting, and distribution process undertaken by the dealers, and shall provide surveillance, cashier, payroll and other systems necessary for the administration and security of the process;
- (c) Tips shall be calculated on a weekly basis unless the dealers specifically elect to calculate the tips on a daily basis; and
- (d) The policies and procedures shall be subject to approval by the dealers in a manner provided by the dealers.

(3) The policies and procedures required in accordance with 205 CMR 138.18(2) shall, at a minimum, include:

- (a) The method utilized by a dealer for acceptance of the tip or gratuity;

- (b) The physical characteristics of the transparent locked box utilized for purposes of depositing such tips or gratuities;
- (c) The method for ensuring that any non-value chips received as a tip at any table game authorized by the commission to utilize non-value chips for play, is expeditiously converted into value chips and deposited in a the locked box reserved for that purpose; and
- (d) The method of collecting, accounting for and placing such tips and gratuities in a common pool for distribution pro-rata among all dealers in accordance with standards established by the commission.

(4) If a gaming licensee offers the game of poker the policies and procedures required in accordance with 205 CMR 138.18(2) may provide for a separate common pool for tips and gratuities received by poker dealers to be established. A gaming licensee may also designate a percentage of the prize pool or other such amounts as designated in a poker tournament submission, as approved by the commission, to be withheld for distribution to the tournament dealers on a pro-rata basis.

(5) A tip or gratuity may be provided electronically to a dealer upon initiation and authorization by a patron. A gaming licensee shall include in its internal controls the method utilized for the distribution of electronic tips or gratuities and ensure that a report listing all electronic tips shall be available from the system where the transaction occurred.

138.32: Table inventory; table inventory container; chip reserve compartment

RESERVED

138.33: Procedures for counting table inventory, opening tables for gaming, shift changes at gaming tables, and closing gaming tables

RESERVED

138.34: Procedure for distributing and removing gaming chips, coins and plaques to gaming tables

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative to distributing and removing gaming chips, coins, and

plaques to gaming tables that include, at a minimum, the provisions contained in 205 CMR 138.x.

(1) A Request for Fill ("Request") shall be prepared by a gaming supervisor, or a gaming clerk, to authorize the preparation of a Fill Slip ("Fill") for the distribution of gaming chips, coins and plaques to gaming tables. The Request shall be a two-part form, at a minimum, and access to the Request shall, prior to use, be restricted to gaming supervisors and gaming clerks.

(2) On the original and duplicate Request, the following information, at a minimum, shall be recorded:

- (a) The date and time, or shift of preparation;
- (b) The denomination of gaming chips, coins and plaques to be distributed to the gaming tables;
- (c) The total amount of each denomination of gaming chips, coins and plaques to be distributed to the gaming table;
- (d) The game and table number to which the gaming chips, coins and plaques are to be distributed; and
- (e) The signature of the gaming supervisor.

(3) After preparation of the Request, the original copy of such Request shall be transported directly to the cashiers' cage.

(4) The duplicate copy of the Request shall be placed by the dealer or boxman in public view on the gaming table to which the gaming chips, coins and plaques are to be received. Such duplicate Request shall not be removed until the chips, coins and plaques are received at which time the Request and Fill are deposited in the drop box.

(5) If Fills are computer prepared and the input data required for preparation of a Fill is entered by, and ability to input is restricted to a casino supervisor and a casino clerk, and the printing of the Fill, which shall be in the cashiers' cage, is a direct result of such input, 205 CMR (a), (b), (c), and (d) may be disregarded.

(6) A Fill shall be prepared by a chip bank cashier or, if computer prepared, by a chip bank cashier, a gaming supervisor, or a gaming clerk whenever gaming chips, coins and plaques are distributed to the gaming tables from the cashiers' cage.

(7) Fills shall be serially prenumbered forms, each series of Fills shall be used in sequential order, and the series numbers of all Fills received by a gaming establishment shall be accounted for by employees with no incompatible functions. All original and duplicate void Fills shall be marked "VOID" and shall require the signature of the preparer.

- (8) For gaming establishments in which Fills are manually prepared, the following procedures and requirements shall be observed:
- (a) Each series of Fills shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.
 - (b) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Fills, placing Fills in the dispensers, and removing from the dispensers, each, the triplicates remaining therein. These employees shall have no incompatible functions.
- (9) For establishments in which Fills are computer-prepared each series of Fills shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original and a duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Fill.
- (10) On original, duplicate, and triplicate copies of the Fill, or in stored data, the preparer shall record, at a minimum, the following information:
- (a) The denomination of the gaming chips, coins and plaques being distributed;
 - (b) The total amount of each denomination of gaming chips, coins and plaques being distributed;
 - (c) The total amount of all denominations of gaming chips, coins and plaques being distributed;
 - (d) The game and table number to which the gaming chips, coins and plaques are being distributed;
 - (e) The date and shift during which the distribution of gaming chips, coins and plaques occurs; and
 - (f) The signature of the preparer or, if computer prepared, the identification code of the preparer.
 - (k) The time of preparation of the Fill shall be recorded at a minimum, on the original and duplicate upon preparation.
 - (l) All gaming chips, coins and plaques distributed to the gaming tables from the cashiers' cage shall be transported to the gaming tables from the cashiers' cage by a security department member who shall agree the Request to the Fill and sign the original copy of the Request, maintained at the cashiers' cage, before transporting the gaming chips, coins and plaques and the original and duplicate copies of the Fill for signature.
 - (m) Signatures attesting to the accuracy of the information contained on the Fills shall be, at a minimum,

138.35: Procedures for acceptance, accounting for, withdrawal and refund of patron deposits

RESERVED

138.36: Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees; Procedures for sending funds by wire transfer or electric fund transfer

RESERVED

138.36: Procedure for acceptance of checks, cash equivalents and credit/debit cards; issuance of counter checks or slot counter checks

RESERVED

138.38: Redemption, substitution, and consolidation of counter checks or slot counter checks at the cashier's cage; redemption of counter checks at a gaming table

RESERVED

138.39 Acceptance of payments toward outstanding patron checks

RESERVED

138.40: Procedures for establishing patron credit accounts, and recording checks exchanged, redeemed or consolidated

RESERVED

138.41: Patron request for suspension of credit privileges

RESERVED

138.42: Procedure for depositing checks received from gaming patrons

RESERVED

138.43: Procedure for collecting and recording checks returned to the gaming establishment
after deposit

RESERVED

138.44: Automatic Teller Machines (ATM)

RESERVED

138.45: Procedure for opening, counting and recording contents of table drop boxes and slot cash
storage boxes

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative to opening, counting, and recording contents of table drop boxes and slot cash storage boxes that include, at a minimum, the provisions contained in 205 CMR 138.x.

- (1) Immediately prior to the commencement of the count process, a count room supervisor shall:
 - (a) Obtain a preliminary master game report which shall list forms and documents related to the table drop box count that were entered into the computer system at the time of preparation;
 - (b) Sign out the following keys:
 - (1) Trolley or cabinet keys from a security supervisor for the purpose of gaining access to the drop boxes; and
 - (2) Key(s) securing the contents of the table drop boxes and/or slot cash storage boxes ("boxes") and the tether padlock key from the casino accounting department;
 - (c) Reconcile the number of boxes recorded on the drop box verification form to the number of boxes secured in the trolley;
 - (d) Remove the emergency drop box log and reconcile the log to the boxes removed from the emergency drop box cabinet or trolley; and
 - (e) Document any unresolved discrepancies on a two-part Drop Variance Report, the original of which shall be delivered to the Division and the duplicate placed in the locked accounting box.

(2) A gaming licensee shall open, count and record the contents of each drop box in the soft count room except that an emergency slot cash storage box may be held and counted on the regularly scheduled count for the slot machine from which it originated. For currency, gaming vouchers, and coupons, a gaming licensee shall perform a second count to obtain the aggregate total of each denomination of currency and coupon, and the total number of gaming vouchers counted. The counts shall be independent of each other and access to the result of the first count shall not be available to the employee performing the second count until completion of the second count. At the completion of the second count, a comparison of the two counts shall be made and any discrepancies resolved by the count team supervisor.

(3) A gaming licensee shall use a counting machine, to be identified in the internal controls, to count currency, gaming vouchers, and coupons. An alternative procedure shall be provided in the event that a counting machine cannot be used due to mechanical failure or other emergent situation.

(a) A gaming licensee may use one counting machine that automatically provides the counts required in 205 CMR (b) of the items at different stages of the counting process. If the counts are not in agreement, the machine shall document the discrepancy and cease operation until the discrepancy is resolved by a count team member.

(b) If a gaming licensee does not use a counting machine described in 205 CMR(c)1, two different counting machines shall be used. Upon completion of the count using the first machine, the cash storage bins or cassettes shall be emptied and displayed to the full view of a closed circuit television camera to assure that the contents have been emptied. The second machine count shall be performed to verify the totals of the first machine. If the counts are not in agreement, the count team shall resolve the discrepancy before continuing the second count.

(c) Each machine shall generate a report at the completion of its count documenting the following:

- (1) The total of each denomination of currency;
- (2) The total of all currency;
- (3) The total number of gaming vouchers;
- (4) The total number and amount of coupons for which the count machine can determine the value of the coupon ("machine count coupons"); and
- (5) The total number of coupons for which the count machine cannot determine the value of the coupon ("manual count coupons").

(4) A test count shall be conducted prior to the start of the first use of each counting machine, each gaming day, and prior to each count. The count room supervisor shall:

(a) Verify that the counting machine has a zero balance on its display and cause a receipt to be printed which denotes 0 cash, gaming vouchers or coupons on hand, and 0 notes, gaming vouchers or coupons in the machine, or other approved means to indicate that the machine has been cleared of all currency, gaming vouchers and coupons;

(b) Visually check the counting machine to be sure there are no bills, gaming vouchers or coupons remaining in the various compartments of the machine;

(c) Supervise a count team member who shall select a drop box or slot cash storage box. If slot storage boxes are being counted that day, a slot cash storage box must be selected and it must contain currency, and if issued by the gaming licensee, gaming vouchers and coupons. The count team member shall place the entire contents of the table drop box or slot cash storage box into the first counting machine, which shall count the currency by denomination as well as any gaming vouchers and coupons. Any soiled or off-sorted bills, gaming vouchers or coupons shall be re-fed into the machine. Any items which the counting machine is not able to count automatically, such as coins, tokens, gaming chips or mutilated or torn currency, gaming vouchers, and coupons shall be manually counted, recorded either manually or entered into the counting machine, and segregated from items which the counting machine was able to count automatically. The count team member shall cause the counting machine, in conjunction with the gaming voucher system, to produce one or more test receipts of the count, and the count shall not be shown to anyone until completion of the final verification process;

(d) Supervise a second count team member, independent of the team member performing the initial count, who shall manually count or use a second counting machine to count and summarize the items on test receipts;

(e) Compare the totals on the test receipts for agreement. If the totals are in agreement, the count room supervisor shall sign and date the test receipts and place them in the locked accounting box to be forwarded to the casino accounting department at the end of the count process. If the totals do not agree, the test count procedures shall be repeated. The test count procedures shall be repeated until the totals are in agreement or a determination is made that the count machine cannot be used. The count room supervisor shall not permit a counting machine to be used until these totals are in agreement;

(f) Supervise a count team member who, at the conclusion of the test procedure shall display the cash bin or storage cassettes to the full view of a closed circuit television camera to assure that the contents have been emptied prior to replacing cassettes into the counting machine; and

(g) Verify that the counting machine has a zero balance in accordance with 205 CMR(d)1.

(5) Procedures for the count of boxes shall be as follows:

(a) The contents shall be segregated and counted so as to permit the contents to be recorded for the box from which it was removed. Each box shall be individually:

(1) placed on the count table at which time one count team member shall verbalize, in a tone of voice to be heard by all persons present and to be recorded by the surveillance audio recording device, the game and table number marked thereon for table drop boxes, or the asset or unique identification number marked thereon for slot cash storage boxes; and

(2) unlocked and the contents emptied on the count table. The inside of the box shall be held up to the full view of a closed circuit television camera to assure all contents of the drop box or slot cash storage box have been removed, after which the drop box or slot cash storage box

shall be locked and placed in the storage area for drop boxes and slot cash storage boxes;

(b) A count team member shall segregate:

- (1) Currency, machine count coupons and gaming vouchers;
- (2) Coin, tokens, gaming chips, manual count coupons and any mutilated or torn items;
and
- (3) Forms and documents;

(c) A count team member shall attempt to match pieces of mutilated or torn items which shall be processed as follows:

- (1) Mutilated or torn currency shall be recorded as revenue if the bill includes one entire serial number and one letter and number of the serial number from the other half of the bill;
- (2) Mutilated or torn currency that is not recorded as revenue shall be placed in a sealed transparent envelope or container and transferred to the main bank by the main bank cashier or cage supervisor at the end of the count; and
- (3) All mutilated or torn coupons and gaming vouchers shall be recorded as revenue regardless of condition;

(d) The value and number of coin, tokens, gaming chips, manual count coupons (by denomination) and any mutilated or torn items shall be manually entered into the counting machine for each drop box or slot cash storage box;

(e) Currency, machine count coupons and gaming vouchers shall be placed in a counting machine. The counting machine shall count and calculate the value of the currency. The value of each gaming voucher or coupon shall be obtained from the counting machine or an approved gaming voucher system, as applicable;

(f) Upon completion of the machine count:

- (1) For each drop box, the counting machine shall generate the report required by 205 CMR(c)3;
- (2) The currency, table game coupons, coin, tokens, and gaming chips counted shall be placed on the banking table; and
- (3) Any drop box coupon which has not already been cancelled upon acceptance or during the count shall be cancelled prior to the conclusion of the count;

(g) The forms and documents shall be compared to the preliminary master game report for accuracy by a count team member who shall not simultaneously have access to currency. Any discrepancies shall be recorded on the preliminary master game report to be resolved by the casino accounting department. The forms and documents and preliminary master game report shall be placed in the locked accounting box to be forwarded to the accounting department at the

end of the count process; and

(h) The count team supervisor shall prepare a detailed written report describing all count room incidents that may have negatively impacted the opening, counting and recording of the drop boxes (for example, a computer interface problem, dropped basket). The report shall include a description of any corrective action taken and shall be electronically filed with the IEB at the conclusion of the count.

(6) As the contents of each table drop box are counted, if not already recorded in the computer system used to create the Master Game Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by game and table number:

- (a) The value of each denomination of currency counted;
- (b) The value of coin, tokens and/or gaming chips counted;
- (c) The total value of currency, coin, tokens and gaming chips counted;
- (d) The value of each denomination and total value of coupons other than match play coupons;
- (e) The value of each denomination and total value of match play coupons and table game wager coupons;
- (f) Fifty percent of the total value of match play coupons and table game wager coupons;
- (g) The amount recorded on each document and the total of all documents evidencing a credit card chip transaction;
- (h) The amount recorded on each document and the total of all documents evidencing a debit card chip transaction;
- (i) The amount of the Opener;
- (j) The amount of the Closer;
- (k) The serial number and amount of each Counter Check and the total amount of all Counter Checks;
- (l) The serial number and amount of each Pit Redemption Form and the total of all Pit Redemption Forms;
- (m) The serial number and amount of each Fill and the total amount of all Fills;
- (n) The serial number and amount of each Credit and the total amount of all Credits;
- (o) The amount recorded on each Complimentary Vigorish Form and the total amount of all Complimentary Vigorish Forms;
- (p) The table game win or loss or, for poker, the poker revenue; and
- (q) The table game win or loss percentage.

(7) In addition to the requirements of 205 CMR(f), the Master Game Report shall include:
(a) The gaming date of the items recorded;

- (b) The grand total for items in 205 CMR(f)3 through 17;
- (c) The total number of drop boxes opened and counted; and
- (d) The date and time prepared.

(8) If the gaming licensee offers the game of poker, the count room supervisor shall review the Master Game Report to ensure that negative poker revenue has not been reported for any poker table. If negative poker revenue has been reported for a poker table, the count room supervisor shall initial the Master Game Report for each such poker table and immediately notify the surveillance department of the poker table(s) and corresponding negative poker revenue reported thereon.

(9) As the contents of each slot cash storage box are counted, if not already recorded in the computer system used to create the Slot Cash Storage Box Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by asset number:

- (a) The asset number of the bill changer to which the slot cash storage box contents correspond;
- (b) The value of each denomination and total value of currency counted;
- (c) The number and value of each cashable coupon counted, and if a gaming voucher system is used to redeem coupons, the validation number and value of each coupon counted, and total number and value of all cashable coupons;
- (d) The number and value of each non-cashable coupon counted, and if a gaming voucher system is used to redeem such coupons, the validation number and value of each coupon counted, and total number and value of all non-cashable coupons;
- (e) A listing of the validation number and value of each gaming voucher counted, and total number and value of all gaming vouchers; and
- (f) Any additional information on the Slot Cash Storage Box Report as may be required by the IEB.

(10) In addition to the requirements of 205 CMR(i), the Slot Cash Storage Box Report shall include:

- (a) The gaming date of the items recorded;
- (b) The grand total for items in 205 CMR(i)2 through 5;
- (c) The total number of drop boxes opened and counted;
- (d) The date and time prepared.

(11) After preparation of the Master Game Report or the Slot Cash Storage Box Report, the count room supervisor shall compare the total number of boxes counted to the number of boxes, including any emergency boxes, collected and recorded on the box reconciliation form. Any

unresolved discrepancy shall be documented on the Drop Variance Report which shall be filed with the Division.

(12) All suspected counterfeit currency shall be counted and recorded as drop on the Master Game Report or Slot Cash Storage Box Report. The counterfeit currency shall be segregated from all other currency and placed in a transparent container. A count room supervisor shall complete a Department of Treasury Counterfeit Note Report and place the container and report on the banking table.

(13) A count team member designated as the banker shall count each denomination of currency, table game coupons, tokens, and gaming chips, and verbalize the amounts. The count room supervisor shall verify the amount verbalized to the amount recorded on the Master Game Report or Slot Cash Storage Box Report. The banker and count team supervisor shall sign the report(s) attesting to the accuracy of the information recorded thereon. The information recorded thereon shall not be accessible to any person outside the count room until after the main bank cashier or cage supervisor ("cashier") has verified and accepted the drop unless otherwise authorized by the IEB.

(14) All other count team members shall sign the Master Game Report and/or the Slot Cash Storage Box Report as evidence of their participation in the counting of the drop boxes and/or slot cash storage boxes.

(15) After the contents of the boxes have been counted and recorded on the Master Game Report and/or Slot Cash Storage Box Report, the count room supervisor shall notify the main cage. A cashier shall enter the count room and not have any access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report. The cashier, in the presence of the banker, shall count the currency, table game coupons, coins, tokens, gaming chips, and mutilated or torn items.

(a) Currency, table game coupons, coin, tokens, and gaming chips shall be presented in the count room by the banker to a main bank cashier or cage supervisor (cashier). Prior to having access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report, the cashier, in the presence of the banker, shall count the items in accordance with the following requirements:

- (1) The cashier shall have physical access to all items presented for counting and no currency or table game coupons presented for counting shall be wrapped or placed in any sealed bag or container until the entire count has been completed and the Master Game Report or the Slot Cash Storage Box Report has been signed by the cashier;
- (2) The cashier shall bulk count all strapped currency and table game coupons. The cashier shall count all partial straps, loose currency and table game coupons,

- mutilated or torn currency and coupons, coin, tokens, and gaming chips either by hand or with an approved counting machine. If a discrepancy in an individual denomination is discovered during the initial count, the cashier shall recount the currency of that denomination either by hand or with an approved counting machine;
- (3) The cashier shall randomly count the currency within at least 10 percent of the total number of straps. The count shall be by hand or with an approved counting device; and
 - (4) The cashier shall randomly sample the table game coupons for intermixed denominations and proper cancellation.

(b) If the total currency or total coupons counted by the cashier do not agree with a total on the Master Game Report or Slot Cash Storage Box Report and the cannot be resolved, a Drop Variance Report shall be completed by the count room supervisor. The original shall be delivered to the IEB and the duplicate placed in the locked accounting box in the count room. The report shall include, at a minimum, the following:

- (1) The date of preparation;
- (2) The source of the variance (currency and/or coupon);
- (3) The denomination(s) of the source of the variance;
- (4) The amount of the variance;
- (5) The measures taken to detect the source of the variance;
- (6) The name and signature of the count room supervisor; and
- (7) The name and signature of the cashier.

(c) Upon completion of the cashier's count, the cashier shall attest by signature on the Master Game Report and/or Slot Cash Storage Box Report, that the amount of cash from drop boxes counted, and the amount of coupons from table drop boxes counted as recorded on these documents, and if applicable, the Drop Variance Report, agree with the total amounts of cash and coupons counted by the count team. Upon attestation, all items other than coupons and vouchers shall be under the exclusive control of the cashier and shall not be handled by a count team member.

(16) Once all required signatures have been obtained, a copy of the totals page of the original Master Game Report, Slot Cash Storage Box Report and disc(s) detailing all gaming vouchers and coupons counted, shall be delivered to the IEB. In addition, an electronic copy of the Master Game Report and/or Slot Cash Storage Box Report shall be filed with the IEB within 48 hours of the completion of the drop.

(17) Each copy of an original Master Game Report or Slot Cash Storage Box Report which is not part of a multi-part form shall be stamped with the word "copy" by the count room supervisor

prior to its distribution.

(18) Any coupons and gaming vouchers for which the value could not be determined by the count machine or the gaming voucher system shall be segregated and placed in the locked accounting box for review.

(19) The original Master Game Report and Slot Cash Storage Box Report, after signing, and any other supporting documentation shall be placed in the locked accounting box located in the count room. A member of the casino accounting department with no incompatible functions shall retrieve the contents of the locked accounting box and the gaming vouchers and coupons which were processed during the count immediately after the cashier verifies, accepts, and removes the drop from the count room.

(20) For each trolley scheduled for the next drop, the count team supervisor shall determine that the number of empty boxes on the trolley is correct. The count team supervisor shall prepare and sign a drop box verification form as required by these regulations, with the following:

- (a) The trolley number;
- (b) The pit number and number of empty boxes by pit, if applicable;
- (c) The slot zone and number of empty boxes by zone, if applicable; and
- (d) The total boxes in the trolley.

(21) A count room employee shall conduct a thorough inspection of the entire count room and all counting equipment located therein to verify that no cash, tokens, gaming chips, gaming vouchers, or coupons remain in the room and shall certify the foregoing in a writing which shall be filed with the IEB.

(22) The keys shall be returned and signed in by the count room supervisor to the security department or the accounting department, as applicable, immediately following the conclusion of the count of the drop boxes or if the count room supervisor leaves the count room during the count process.

138.46: Procedure for opening, counting and recording the contents of bill validator boxes,

gaming voucher redemption machines, determination of gross revenue deduction

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative to opening, counting, and recording contents of bill validator boxes, gaming voucher redemption machines, and determination of gross revenue deduction that include, at a minimum, the provisions contained in 205 CMR 138.x.

- (1) At least once every seven days, a gaming licensee shall coordinate the removal of the bill validator boxes from all gaming voucher redemption machines and the insertion of empty, replacement bill validator boxes into the machines (the "bill validator drop").
- (2) Prior to the bill validator drop, a gaming accounting supervisor shall count the number of empty bill validator boxes to be exchanged as part of the bill validator drop and confirm, in writing on a bill validator drop form, that the count equals the number of boxes scheduled to be collected. Prior to the drop, the form shall include at a minimum:
 - (a) The date;
 - (b) The gaming voucher redemption machine number(s) or location(s);
 - (c) The number of boxes to be dropped; and
 - (d) The signature of the accounting supervisor.
- (3) A casino security department member and an accounting department member shall obtain the keys necessary to perform the bill validator drop from their respective departments.
- (4) In the presence of the casino security department member, the accounting department member shall:
 - (a) Place the appropriate number of empty bill validator boxes required for the bill validator drop into a secure cart;
 - (b) Transport the cart and the boxes to the casino floor;
 - (c) Unlock the cabinet(s) housing the bill validator boxes;
 - (d) Exchange the bill validator boxes; and
 - (e) Place the boxes removed in the secure cart.
- (5) Immediately upon removal of each bill validator box, the gaming voucher redemption machine shall generate a receipt (Bill Validator Receipt) that documents the total value of each item (gaming vouchers, coupons and/or currency) in the bill validator box. Such receipt shall be placed into a locked accounting box by the accounting department member.
- (6) Prior to the movement of the collected boxes, the accounting department member shall verify and confirm in writing by signing the bill validator drop form, that the number of boxes being transported from the gaming area equals the number of boxes in 205 CMR(b). Any discrepancies shall be immediately reported to the surveillance department and in writing to the IEB in-house office.
- (7) Accompanied by an accounting department member and a casino security department member, the locked cart containing the bill validator boxes shall be transported to:
 - (a) The cashiers' cage for counting or a secure area approved by the IEB under the control of the main bank or master coin bank and stored there until counted; or
 - (b) The count room for counting only when the count of table game drop boxes or slot machine drop containers is not in progress.

(8) The contents of the bill validator boxes shall be counted as follows:

(a) If the boxes are counted in the cashiers' cage, a main bank or master coin bank cashier shall document their contents, by item and amount, on a two-part Balance Receipt.

- (1) The cashier who documents the contents of boxes shall retain the original Balance Receipt as an inventory document until forwarded directly to the casino accounting department with the main bank or master coin bank end-of-day paperwork.
- (2) The cashier shall place the duplicate Balance Receipt in a locked accounting box.

(b) If the boxes are counted in the count room, the casino accounting department member(s) performing the count shall document the count for each individual bill validator box on a Balance Receipt. If the counting equipment documents the count of each individual bill validator box, the gaming vouchers, coupons and currency need only be documented for the entire bill validator drop and not for each individual bill validator box. At the completion of the count, a main bank or master coin bank cashier shall verify the contents on the Balance Receipt.

- (1) The accounting department member(s) shall transport the gaming vouchers and coupons directly to the accounting department together with the original Balance Receipt and the supporting documentation for each bill validator box.
- (2) The main bank or master coin bank cashier shall transport the currency directly to the main bank or master coin bank together with the duplicate Balance Receipt.

(9) A gaming licensee shall generate reports necessary to reconcile the funds placed into and dispensed by the gaming voucher redemption machines.

138.47 Gaming tables; slot machines and bill changers; movement; removal from a gaming area

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative to the movement and removal from the gaming area of gaming tables, slot machines, and bill changers that include, at a minimum, the provisions contained in 205 CMR 138.x.

(1) The gaming manager or his or her designee shall notify in writing the accounting department, the security department and the IEB, 72 hours in advance of all movements and removals of gaming tables and slot machines. The notification shall include at a minimum:

- (a) The date and time of movement or removal;

Comment [TMG6]: Reconcile with slots regs

- (b) The gaming table(s) or asset number(s) of slot machines, as applicable;
- (c) Whether a movement or removal;
- (d) The location from which gaming table or slot machine will be moved;
- (e) The location to which the gaming table or slot machine will be moved; and
- (f) The signature of a gaming manager or designee.

(2) Prior to moving or removing a gaming table:

- (a) The table inventory shall be credited from the table; and
- (b) The table drop box shall be removed during a scheduled drop box pick-up and a replacement box not placed on the table.

(3) Prior to moving or removing a slot machine:

- (a) The machine's slot drop container(s) and hopper contents shall be removed during scheduled slot drop container pick-ups. Any hopper contents shall be placed in the corresponding slot drop box or slot drop bucket, as applicable;
- (b) All meters shall be read and recorded in conformity with 205 CMR;
- (c) Any coins or slot tokens in any of the slot machine's corresponding hopper storage area shall be removed, transported, and counted;
- (d) Any credits remaining on the slot machine shall be cancelled; and
- (e) The machine entry authorization log shall be:
 - (1) Retained with the slot machine if the slot machine is being relocated to the gaming area; or
 - (2) Forwarded to the accounting department if the slot machine is being removed from the gaming area.

138.48: Temporary amendments for pit and slot zone reconfigurations or reconstitutions

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative the configurations, reconfigurations, or reconstitutions for pit and slot zones that include, at a minimum, the provisions contained in 205 CMR 138.x.

- (1) A gaming licensee shall configure the pits and slot zones in its gaming establishment and simulcasting facility, as to types, number and location of games, strictly in accordance with the floor plans included in its internal controls pursuant to 205 CMR xx.
- (2) A gaming licensee may temporarily reconfigure one or more pits or slot zones by filing a notice with the commission at the IEB office in the gaming establishment, to temporarily reconfigure for each pit or slot zone specified in the notice, which shall be filed at least three business days prior to implementing such alternate configuration. In addition, pursuant to the above notice procedure, a gaming licensee may also temporarily reconstitute one or more pits as

a slot zone(s) or one or more slot zones or a portion thereof as a pit. Within that three-day period, the commission shall notify the gaming licensee whether the reconfiguration or reconstitution is rejected.

(3) In accordance with the specific terms of the notice, the gaming licensee shall implement the reconfiguration or reconstitution for a period of no more than 120 consecutive days. Notwithstanding the foregoing, the commission may approve the implementation of a reconfiguration of a pit in conjunction with the test of a new table game or table game wager pursuant to these regulations for a period up to 270 days from the day such test commences. Each such reconfigured pit shall not:

- (a) Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor
- (b) Include any change requiring the approval of a building official without having first obtained that approval and the approval of the commission.

(4) A gaming licensee shall obtain prior approval for any changes, other than those permitted by 205 CMR, to the configuration of the pits or slot zones in its gaming establishment and simulcasting facility.

(5) Each pit operating under an approved configuration shall have an electrical system, approved by the commission, which enables a pit clerk or a pit supervisor to transmit a signal that is audibly and visually reproduced in each of the following locations whenever there is an emergency in the pit:

- (a) The surveillance monitoring rooms; and
- (b) The casino security department.

Slot Machines/Progressive Table Games

138.49: Accounting controls for gaming voucher redemption machines

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a detailed description of its policies and procedures governing the reconciliation of the contents of its gaming voucher redemption machines, which, at a minimum, shall address:

- (1) The procedures and forms, along with a description of the employees who must sign the form, used by the cage to record currency cassette/coin hopper cash fills for the gaming voucher redemption machines;
- (2) The procedures and forms used, along with a description of the employees who must sign the form, for issuance of such cash fills and the department which will be responsible for performing the cash fills;

- (3) The procedures followed by the employee performing the fill with respect to signing out the keys to unlock the cabinets of the automated gaming voucher machines;
- (4) The procedures utilized for removing and replacing currency cassettes, currency cassette reject bins, coin hoppers/coin hopper fills and the information to be recorded on the receipts generated by the machines to record the fill and any forms used, along with a description of the employees who must sign the form, with respect to completion of the fill;
- (5) The procedures followed by the cage for counting and recording the value of the remaining contents of the returned currency cassettes, currency cassette reject bins, coin hoppers or any returned coin from the machines and any forms used, along with a description of the employees who must sign the form with respect to recording the inventory balance;
- (6) A description of which of the forms utilized in these procedures will be forwarded to the accounting department at the end of each gaming day;
- (7) The procedure utilized by the cage to obtain an inventory report from each gaming voucher redemption machine to determine the starting inventory amount for the machine and the information recorded on the inventory report;
- (8) The procedures followed by the accounting department for reconciliation of the change in the contents of the gaming voucher machines, including the generation of a report from each gaming voucher redemption machine that documents each transaction conducted at the machine to confirm that it agrees with the forms completed and receipts generated with respect to the fills and count recorded as to the value of the remaining contents of the machines;
- (9) The frequency in which the contents of all currency cassettes and coin hoppers shall be counted and the method for recording the reconciliation of cash contained therein and the method of recording such reconciliation and reporting any variances to the commission; and
- (10) Procedures to ensure that a record of the number of gaming voucher redemption machines in service at any time, and the frequency in which the contents thereof shall be emptied and reconciled, is provided to the commission.

138.50: Slot Machines and bill changers; coin and token containers; slot cash storage boxes;

entry authorization logs

Comment [TMG7]: Reconcile with slot regs

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures relative to slot machines and bill changers that include, at a minimum, the provisions contained in 205 CMR 138.x.

(1) Each slot machine which accepts coin or tokens shall have:

(a) A container, to be known as a payout reserve container ("hopper"), in which coins or slot

tokens are retained by the slot machine to automatically dispense coins or slot tokens to pay jackpots or credits remaining on a slot machine, or to automatically replenish another hopper in the slot machine with coins or slot tokens. The slot machine shall be designed to divert accepted coins or slot tokens that exceed the amount of the initial hopper fill from the hopper to the slot drop bucket or, if applicable, the slot drop box;

(b) A container, known as a slot drop bucket or slot drop box, to collect coins or slot tokens that are retained by the slot machine and are not used to make change or automatic jackpot payouts. Each slot drop bucket or slot drop box shall be identified by a number which corresponds to the asset number of the slot machine, and which is permanently imprinted on or affixed to the outside of the slot drop bucket or slot drop box in numerals. The number shall be conspicuous and clearly visible to persons involved in removing or replacing the slot drop bucket or slot drop box in the slot machine and through the gaming licensee's CCTV system. In addition to bearing an asset number, each slot drop bucket or slot drop box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot drop bucket or slot drop box shall:

- (1) Be encoded, at a minimum, with the asset number of the slot machine in which the slot drop bucket or slot drop box is housed; and
- (2) Require the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot drop bucket or slot drop box; and

(c) On those slot machines which include a bill changer, a secure, tamper-resistant container known as a slot cash storage box, in which shall be deposited all currency, gaming vouchers and coupons inserted into the bill changer. If the slot machine does not contain a hopper, the slot cash storage box shall be accessible only by a dedicated bill changer drop door that can be opened without opening the slot machine's main door or any other compartment of the slot machine.

(2) A slot drop bucket shall be housed in a secure compartment separate from any other compartment of the slot machine. Access to the compartment shall be by two keys, both of which are different from each other and different from the keys utilized to secure all other compartments of the slot machine. One key shall be maintained and controlled by the casino security department and the other key shall be maintained by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor of the department and shall require the use of a sign-in and sign-out procedure.

(3) Any slot machine equipped to accept slot tokens in denominations of \$ 25.00 or more shall

utilize a slot drop box, rather than a slot drop bucket.

(4) A slot drop box shall have:

- (a) A slotted opening through which coins and slot tokens can be deposited;
- (b) A device that will automatically close and lock the slotted opening upon removal of the slot drop box from the slot machine; and
- (c) A key securing the contents of the slot drop box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.

(5) A slot drop box shall be housed in a locked compartment separate from any other compartment of the slot machine. The compartment in which the slot drop box is located shall be secured by a key, which shall be different from the key securing the contents of the slot drop box and any other compartment of the slot machine. The compartment key shall be maintained and controlled by the casino security department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.

(6) Each slot cash storage box shall:

- (a) Have a key securing the contents of the slot cash storage box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure;
- (b) Have a slot opening through which currency, gaming vouchers and coupons can be inserted into the slot cash storage box;
- (c) Have a mechanical arrangement or device that prohibits removal of currency, gaming vouchers and coupons from the slot opening whenever the slot cash storage box is removed from the bill changer;
- (d) Be fully enclosed, except for such openings as may be required for the operation of the bill changer or the slot cash storage box; provided, however, that the location and size of such openings shall not affect the security of the slot cash storage box, its contents or the bill changer; and
- (e) Have an asset number that is permanently imprinted, affixed or impressed on the outside of the slot cash storage box which corresponds to the asset number of the slot machine to which the bill changer has been attached. In lieu of the asset number, a gaming licensee

may develop and maintain a system for assigning a unique identification number to its slot cash storage boxes. The asset number or unique identification number must be conspicuous and clearly visible to persons involved in removing or replacing the slot cash storage box in the bill changer and through the gaming licensee's CCTV system. In addition to bearing an asset number or unique identification number, each slot cash storage box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot cash storage box shall be:

- (1) Encoded, at a minimum, with the asset number of the slot machine in which the slot cash storage box is housed; and
- (2) Prepared in accordance with a casino licensee's internal controls, which controls shall require, without limitation, the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot cash storage box.

(7) The area in which the slot cash storage box is located shall be secured by a key and separate from and accessible independently of any other compartment of the slot machine, the slot drop bucket or the slot drop box. The key to the lock securing the area where the slot cash storage box is located shall be different from the key securing the contents of the slot cash storage box. The compartment key shall be maintained and controlled by the casino security department or the slot department in a secure area within that department. Access to the key may be gained only by a supervisor in that department; provided, however, if the slot department controls the key, the slot department supervisor may issue the key to a casino security department supervisor, who may give it to appropriate casino security department personnel only for the purpose of participating in the transportation of slot cash storage boxes. Access to the key shall require the use of a sign-in and sign-out procedure.

(8) Except as otherwise provided, keys to each slot machine, or any device connected thereto which may affect the operation of the slot machine, including, without limitation, keys that activate a jackpot-to-credit-meter switch, shall be maintained in a secure place and controlled by the slot department. Access to the keys shall require the use of a sign-in and sign-out procedure.

(9) Any key removed from a department's secure area pursuant to 205 CMR (b), (d), (e), (f), or (g), shall be returned no later than the end of the shift of the department member to whom the key was issued, and the department shall establish a sign-out and sign-in procedure for all such keys removed.

(10) The following entry authorization logs shall be maintained by the gaming licensee unless the information is recorded electronically:

- (a) Whenever a slot machine, or any device connected thereto which may affect the operation of the slot machine, is opened, with the exception of a bill changer, certain information shall be recorded on a "Machine Entry Authorization Log." The information shall include, at a minimum, the date, time, purpose of opening the machine or device, and the signature of the authorized employee opening the machine or device. The Machine Entry Authorization Log shall be maintained in the slot machine and shall have recorded thereon a sequential number and a manufacturer's serial number or the asset number of that slot machine;
- (b) Whenever a progressive controller not housed within the cabinet of a slot machine is opened, the information specified in 205 CMR (j)1 shall be recorded on a "Progressive Entry Authorization Log." The Progressive Entry Authorization Log shall be maintained in the progressive unit and shall have recorded thereon a sequential number and serial number of the progressive controller;
- (c) With the exception of the transportation of slot cash storage boxes, whenever a bill changer, other than a separate slot cash storage box compartment, is opened, certain information shall be recorded on a "Bill Changer Log." The information shall include, at a minimum, the date, time, purpose of opening the bill changer, and the signature of the authorized employee opening the bill changer. The Bill Changer Log shall be maintained in the bill changer and shall have recorded thereon a sequential number and the serial number or asset number of the bill changer. If the bill changer is contained completely within the cabinet of a slot machine and there is no separate access to the bill changer unit, the information may be recorded on the Machine Entry Authorization Log required by 205 CMR (j)1, provided that any information that concerns the opening of the bill changer may be distinguished from any information that concerns the opening of the slot machine or any other device connected thereto; and
- (d) Whenever a printer for an approved gaming voucher system is accessed, the date, time, purpose of such access, and the signature of the authorized employee shall be recorded in the log required by either 205 CMR (j)1 or 3, or a separate log.

138.51: Progressive slot machine

If a gaming licensee offers one or more progressive jackpots that increase in value as the machine is played based upon a set rate of progression and awarded when a player achieves a specific game outcome, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include policies and protocols governing:

- (1) The use of a progressive controller, either external to the game or residing within the main program.

Comment [TMG8]: Reconcile with slots regs (does this go here or there?)

- (2) Whether all of the linked games will all be identical with respect to:
- (a) Having the same denomination;
 - (b) Having the same probability of winning the progressive jackpot as every other linked slot machine connected to such common display unit;
 - (c) Whether the same invested amount entitles the player to a chance at winning the progressive jackpot; and
 - (d) Whether each investment will increment the meter(s) by the same rate of progression as every other linked slot machine connected to such common display unit.
- (3) If the gaming licensee does not intend that the linked games, or any of them, will be identical in terms of the criteria contained in 205 CMR (b), the gaming licensee shall explain the reasons therefore and the accounting controls to be applied therein.
- (4) That no progressive jackpot will be offered without prior commission approval of:
- (a) The initial reset amounts at which the progressive meter(s) are to be set.
 - (b) The proposed system for controlling the keys and access codes to the machine.
 - (c) That the progressive configurations do not conflict with the theoretical minimum payout set out in 205 CMR 143.00.
 - (d) The rate of progression for each progressive jackpot, which shall not be changed except upon notice to the gaming licensee accounting department.
 - (e) The calculated probability of winning each progressive jackpot.
- (5) If a progressive jackpot controlled by an external progressive controller has a reset amount of \$600 or greater, the amount indicated on the primary progressive meter on each slot machine must be recorded on a Progressive Slot Summary, at a minimum, at least once every seven calendar days and each Progressive Slot Summary shall be signed by the preparer. If not prepared by the accounting department, the Progressive Slot Summary shall be forwarded to the gaming licensee's accounting department by the end of the gaming day on which it is prepared. A representative of the gaming licensee's accounting department shall be responsible for calculating the correct amount that should appear on the primary progressive meter and notifying the commission of the adjustment. If an adjustment to the primary progressive meter is necessary, the adjustment shall be made by a member of the slot department in accordance with procedures submitted to and approved by the commission.

138.52: Linked slot machines interconnected in more than one gaming establishment; slot system operator; computer monitor

Prior to participation by a gaming licensee in a multi-casino progressive slot system the gaming license shall submit a system of internal controls in accordance with 205 CMR 138.01 specifying the manner in which the participating gaming licensees and slot system operators will satisfy the following provisions relative to the operation of slot machines and multi-casino progressive slot systems:

- (1) Two or more gaming licensees may, with the prior approval of the commission, operate linked slot machines that are interconnected in the participating gaming establishment (a “multi-casino progressive slot system” or “slot system”).
- (2) Each multi-casino progressive slot system shall be operated and administered:
 - (a) By the participating gaming licensees in accordance with the terms of a written agreement that has been executed by each participating gaming licensee and approved by the commission (“slot system agreement”); or
 - (b) In whole or in part, by a gaming vendor licensed in accordance with 205 CMR 134.00 on behalf of the participating gaming licensees provided that the slot system agreement is executed by the gaming vendor.
- (3) The person or persons designated in a slot system agreement responsible for the operation and administration of a slot system shall be referred to as a “slot system operator.”
- (4) More than one slot system operator may be involved in the operation and administration of a slot system. A slot system operator may be involved in the operation and administration of more than one slot system.
 - (a) If more than one slot system operator is involved in the operation and administration of a particular slot system, there may be more than one slot system agreement with regard to that slot system; and
 - (b) Each participating gaming licensee shall be a party to all slot system agreements for a particular slot system.
- (5) The gaming licensee or slot system operator shall be initially responsible for the funding and payment of all jackpots, fees, and taxes associated with the operation of the slot system.
- (6) The gaming licensee or slot system operator shall be responsible for generating, maintaining and filing all records and reports required by 205 CMR 138.00 and 143.00.
- (7) Each party to a slot system agreement shall only be liable for acts, omissions and violations of M.G.L. c.23K and 205 CMR related to its own individual responsibilities under the slot

system agreement, unless the slot system agreement specifically provides for joint and several liability.

(8) A gaming licensee may, with the prior approval of the commission, designate one or more key gaming employees to represent the interests of the gaming licensee in the operation and control of a multi-casino progressive slot system.

(9) Each multi-casino progressive slot system shall be controlled and operated from a computer monitoring room approved by the commission, which shall, at a minimum, be adequately secure, and have continuous CCTV coverage operated in accordance with 205 CMR 141.00.

138.53: Inspection of slot machine jackpots

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include policies and procedures governing the inspection of slot machines and electronic gaming devices including, at a minimum, the following provisions:

- (1) For all slot machine and other electronic gaming device jackpots over \$75,000 in cash, merchandise, or cash equivalent value, or any manual jackpot where there is evidence of a malfunction, the gaming licensee shall notify the IEB that a jackpot has been registered and permit the IEB to inspect any slot machine, progressive equipment or related equipment involved in that failure. If the commission objects to the payment of the jackpot prior to the completion of its inspection, it shall not constitute waiver or estoppel of any charge, issue or claim raised in any criminal or regulatory complaint subsequently filed against any person in connection with the winning or payment of that jackpot; and
- (2) Its policies with respect to the payment of jackpots if an inspection is pending, but not yet completed, or an inspection is performed and the results are such that the jackpot may have been the result of an impropriety.

138.54: Attendant paid jackpots and credit meter payouts

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include policies and procedures governing the payment of jackpots and credit meter redemptions if and when the payment is not automatically disbursed from a slot machine or electronic gaming device in the form of a gaming voucher. The policies and procedures shall include the following:

- (1) A listing of the specific forms of cash, cash equivalents, casino chips, coupons, vouchers, casino checks, merchandise, and the like that may be used by a slot attendant to satisfy a jackpot or redeem a patron's credit meter balance. The gaming licensee shall, to the extent applicable, distinguish its procedures for each form of payment and assure, at all times,

compliance with all provisions of 205 CMR 138.00 that address a particular form of payment (for example, merchandise).

- (2) Provisions relative to documenting and assigning accountability over a jackpot payout or credit meter payout by establishing appropriate forms or documents designed to:
 - (a) Request that a payout be made;
 - (b) Record the applicable information pertaining to the payout;
 - (c) Approve the payout;
 - (d) Provide limits to and adequate security over the transportation of funds for payment of jackpots; and
 - (e) Complete the payout, including required signatures thereto from both the employees and supervisors involved in the payout process, and the patron so as to provide an acknowledgment of the payout having been received by the patron.
- (3) Provisions relative to establishing a segregation of duties among and between those employees responsible for requesting, approving, completing, and accounting for jackpot payouts and credit meter payouts.
- (4) Provisions relative to distinguishing those procedures over payouts for which an electronic record is available from payouts that may be initiated, authorized and completed in a fully manual transaction, including procedures in place to subsequently post the manual transaction to the electronic information system.
- (5) Procedures relative to the identification and distinction of payout financial thresholds, above and below which procedures and levels of approval may differ.
- (6) Procedures to assure that all payouts are posted accurately and timely to the licensee's accounting system.
- (7) Procedures to assure that all payouts are reported to the Internal Revenue Service and Department of Revenue in such a manner that complies with the reporting requirements in place at the time of the payout.
- (8) Procedures to assure that, after having completed a jackpot payout or credit meter payout, the applicable slot machine or electronic gaming device is reset to account for the completed payout.

138.55: Alternate procedures for a manual slot jackpot

- (1) A gaming licensee may establish alternate policies, procedures, and internal controls over the payment of jackpots and credit meter redemptions provided in accordance with 205 CMR 138.39 if the payouts are below a certain financial threshold ("lesser payouts") so as to expedite the payout process and minimize the procedural and documentation requirements so long as the licensee maintains an adequate system of internal control over payouts and credit meter redemptions having lesser value.

(2) If the gaming licensee chooses to establish alternate policies in accordance with 205 CMR 138.40, the system of internal controls submitted in accordance with 205 CMR 138.01 shall include:

- (a) The financial threshold below which slot or electronic gaming device payouts or credit meter redemptions may be subject to these alternate procedures;
- (b) The specific policies and procedures in place to:
 - (1) Request that a lesser payout be made.
 - (2) Record the pertinent information of the payout.
 - (3) Approve the payout and assign responsibility and accountability over the payout by way of employee and supervisory signature requirements.
 - (4) Process and complete the payout.
 - (5) Assure that all such payouts are reported to an independent department such as accounting for review and, thereafter, posting to the licensee's accounting system; and
- (c) The differences, with specificity, between these procedures and the procedures in place for jackpots or credit meter redemptions of greater value from that in place for these lesser payouts.

138.56: Alternate forms of jackpot payments

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions governing the offer and payment of different forms of jackpots to include, but not be limited to:

- (1) If the jackpot is in the form of an annuity or other non-cash instrument, the terms and conditions on which that jackpot will be authorized, awarded and accounted for;
- (2) If the jackpot is in the form of merchandise, the terms and conditions on which that jackpot will be authorized, awarded and accounted for; and
- (3) That appropriate tax forms are completed.

138.57: Procedure for filling payout reserve containers of slot machines and hopper storage areas

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures for filling payout reserve containers of slot machines and hopper storage areas including, but not be limited to:

- (1) Each hopper of a slot machine may be filled by a slot attendant, slot mechanic or slot supervisor by requesting coin, slot tokens, or prize tokens that are compatible with the hopper

to be filled from a slot cashier, general cashier, or master coin bank cashier or by obtaining coin, slot tokens, or prize tokens that are compatible with the hopper to be filled from its corresponding hopper storage area.

(2) A slot hopper may be refilled at any time, provided, however, that:

- (a) An entire sealed bag of coin or tokens is used for the hopper fill and placed into the hopper;
- (b) The hopper cannot be filled beyond its operational capacity; and
- (c) The hopper cannot be filled beyond its present inventory level.

(3) The filling of a hopper or a hopper storage area with coin, slot tokens or prize tokens obtained from a slot cashier, general cashier or master coin bank cashier shall be accomplished as follows:

- (a) Whenever a slot supervisor, attendant or mechanic requests coins, slot tokens or prize tokens to fill a hopper or a hopper storage area of a slot machine, he or she shall obtain a completed and signed Hopper Fill Slip ("Hopper Fills") from a slot cashier, general cashier or master coin bank cashier;
- (b) Hopper Fills shall be serially prenumbered forms, each series of Hopper Fills shall be used in sequential order, and the series numbers of all Hopper Fills received by a casino licensee shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Hopper Fills shall be marked "VOID" and shall require the signature of the preparer. A gaming licensee may utilize a serially prenumbered combined Jackpot Payout/Hopper Fill form;
- (c) For Hopper Fills which are manually prepared, the following procedures and requirements shall be observed:

- (1) Each series of Hopper Fills shall be a three-part form, at a minimum, and shall either be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser or attached in a manner that will permit each form to be written on simultaneously and will allow for the removal of the original and the duplicate and maintain the triplicates; and
- (2) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Hopper Fills, placing Hopper Fills in the dispensers, and removing from the dispensers the triplicates remaining therein;

(d) For Hopper Fills which are computer prepared, each series of Hopper Fills shall be a two-part form, at a minimum, and shall be inserted in a printer that simultaneously prints an original and duplicate, stores in machine-readable form all information printed on the original and duplicate, and discharges the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Hopper Fill;

(e) The Hopper Fill shall include the following information:

- (1) The asset number and denomination of the slot machine to which the coins, slot tokens or prize tokens are to be distributed;
- (2) The date and time during which the coins, slot tokens or prize tokens are distributed;
- (3) The denomination of the coin, slot tokens or prize tokens that are to be distributed;
- (4) The amount of coins, slot tokens or prize tokens that are to be distributed;
- (5) The location from which the coins, slot tokens or prize tokens are distributed;
- (6) The signature and, if computer prepared, the identification code of the preparer;
- (7) The signature or identification code of the slot attendant, slot mechanic or slot supervisor requesting coins, slot tokens or prize tokens to fill the hopper (on the original and the duplicate only);
- (8) Whether the coins, slot tokens or prize tokens are to be placed in the slot machine's:
 - (a) All-purpose hopper and/or any reserve hoppers that automatically replenish the all-purpose hopper;
 - (b) Payout-only hopper and/or any reserve hoppers that automatically replenish the payout-only hopper reserve hopper; or
 - (c) In its corresponding hopper storage area; and
- (9) Whether the Hopper Fill is to be witnessed and verified by a second gaming employee;

(f) All coins, slot tokens or prize tokens distributed from a slot booth, master coin bank or the cashiers' cage to a slot machine or its corresponding hopper storage area shall, during their transportation to the machine or hopper storage area, remain in pre-wrapped secured bags;

(g) The coin, slot tokens or prize tokens shall be transported directly to the slot machine or its corresponding hopper storage area, along with the duplicate Hopper Fill. A second gaming employee shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper or the slot machine's corresponding hopper storage area, and the closing and locking of the slot machine or its corresponding hopper storage area

by a slot mechanic, slot attendant or slot supervisor before obtaining the signature of the slot mechanic, slot attendant or slot supervisor on the duplicate copy of the Hopper Fill;

(h) The surveillance department shall monitor the transportation to and deposit of the fill;

(i) A slot mechanic who participates in filling a slot machine hopper shall inspect the slot machine and, if the hopper is empty, determine if the empty hopper resulted from a slot machine malfunction. A slot attendant or slot supervisor participating in a hopper fill shall review the Machine Entry Authorization Log and alert a slot mechanic to inspect the slot machine if the entries in the log indicate a consistent malfunction problem;

(j) Signatures attesting to the accuracy of the information contained on the Hopper Fill shall be, at a minimum, the following personnel at the following times:

- (1) The original shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill and by the gaming employee transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported; and
- (2) The duplicate shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill, by the gaming employee transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported and by the slot mechanic, slot attendant or slot supervisor after completing the fill procedures in the presence of the gaming employee transporting the fill;

(k) Upon meeting the signature requirements, the slot cashier, master coin bank cashier or general cashier shall maintain and control the original Hopper Fill and the gaming employee who transported the fill shall deposit the duplicate in a secure, locked box controlled by the accounting department;

(l) At the end of each gaming day, at a minimum, the original and duplicate Hopper Fill Slip shall be forwarded as follows:

- (1) The original Hopper Fill Slip shall be forwarded, in exchange for coin, currency or credit, to the master coin bank if prepared by a slot cashier or to the main bank if prepared by a general cashier. All original Hopper Fill Slips received or prepared by the master coin bank or received by the main bank shall then be forwarded to the accounting department, which shall confirm that the information on the original Hopper Fill agrees with the information on the triplicate or in stored data; and
- (2) The duplicate Hopper Fill Slip shall be forwarded directly to the accounting department, which shall record the information from the Hopper Fill Slip on the Slot Win Report, and shall confirm that the information recorded on the Hopper Fill Slip agrees with the information on the triplicates or in stored data; and

(m) A gaming licensee may use one Hopper Fill Slip to document fills to more than one hopper storage area or to a hopper storage area that supplies more than one slot machine, if:

- (1) All of the fills are for the same denomination of slot machine and are accomplished at the same time; and
- (2) The Hopper Fill Slip contains:
 - (a) The amount to be distributed to each hopper storage area or, if applicable, each compartment in a hopper storage area that supplies more than one slot machine;
 - (b) Spaces for gaming employees to initial after each individual fill; and
 - (c) The total amount of all hopper fills that are documented by the Hopper Fill Slip.

(n) Whenever a slot machine's hopper requires coin, slot tokens, or prize tokens, a slot attendant or mechanic, after confirming that its corresponding hopper storage area contains the necessary coin, slot tokens or prize tokens to replenish the hopper to be filled, may, in the presence of a second gaming employee, transfer the necessary coin, slot tokens or prize tokens from that slot machine's hopper storage area directly to the appropriate hopper of the corresponding slot machine. The second gaming employee shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper and the closing and locking of the slot machine and its corresponding hopper storage area by the slot mechanic or attendant.

(o) After transferring the coins, slot tokens or prize tokens to the slot machine's appropriate hopper from a corresponding storage area pursuant to 205 CMR(c) or upon completing a fill pursuant to 205 CMR (b) of a slot machine's hopper, the slot attendant or mechanic shall make the entries required on the slot machine's log, which shall include the following:

- (1) The date and time of the transfer;
- (2) The type of hopper in the slot machine to which the coins, slot tokens or prize tokens were transferred;
- (3) The hopper fill slip number, if applicable;
- (4) The amount(s) of coins, slot tokens or prize tokens that were placed in that hopper; and
- (5) The name and license number of the slot attendant or slot mechanic who made the transfer or fill.

(p) A gaming licensee that removes a prize token shall count it, for purposes of calculating its gross revenue as cash received from gaming operations for the face amount of the prize token.

138.58: Procedure governing the removal of coin, slot tokens and slugs from a slot machine

hopper

If a gaming license uses slot machines at the gaming establishment that accept coins, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include procedures governing the removal of coin, slot tokens, and slugs from a slot machine hopper including, but not be limited to, the following:

- (1) Except as provided in 205 CMR(b) through (d) no coin, slot tokens, or slugs shall be removed from a slot machine hopper.
- (2) If a slot machine malfunctions during a payout and the slot machine cannot be repaired in a timely manner, coin and slot tokens may be removed from a slot machine's hopper in order to complete the slot machine paid jackpot. The coin or slot tokens shall be removed from the slot machine hopper by a slot attendant, slot mechanic or supervisor thereof. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log. A gaming licensee shall not be precluded from preparing a Jackpot Payout Slip for the amount of coin or slot token owed the patron provided and a notation is made on the Jackpot Payout Slip indicating the reason for the slip.
- (3) If coin or slot tokens are inserted by a patron and are neither registered nor returned to the patron by the slot machine, a member of the slot department in accordance with 205 CMR (b), may remove the coin or slot tokens from the slot machine hopper and return them to the patron. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log. Under no circumstances shall a gaming licensee remove more coin or slot tokens than the maximum number of coin or slot tokens which can be wagered on one handle pull of the slot machine.
- (4) Whenever slugs are found in a slot machine's hopper the following procedures and requirements shall be followed:
 - (a) A slot attendant, slot mechanic or supervisor thereof shall immediately remove the slugs from the slot machine hopper and place the slugs into an envelope or container. The individual who found the slugs shall record the asset number and denomination of the slot machine, the quantity of slugs found, the date the slugs were found, and his or her signature on the Machine Entry Authorization. The envelope or container may be maintained inside the

slot machine until the next scheduled slot drop. A count team member shall complete a two-part Slug Report which contains the following:

- (1) The date and time;
- (2) The asset number of the slot machine from which the slugs were removed;
- (3) The denomination of the slot machine;
- (4) The number of slugs;
- (5) A brief description of the slugs; and
- (6) The signature of the count team member completing the two-part Slug Report;

(b) Upon completion of the Slug Report required by 205 CMR (d)1, the count team member shall remove the envelope or container and transport it with the Slug Report to the master coin bank. The individual accepting receipt of the slugs shall sign the Slug Report. The original Slug Report shall be maintained in the master coin bank and the duplicate shall be delivered to the Division's in-house office by the end of each gaming day;

(c) Whenever a slug is found in a slot machine's hopper, the slot department member shall inspect the slot machine and coin mechanism to determine if there is a malfunction. The results of this inspection shall be documented on the Machine Entry Authorization; and

(d) All slugs shall be destroyed in accordance with procedures submitted as part of the internal controls which procedures shall include a written notification to the IEB as to the date, time and location of destruction.

138.59: Slot accounting requirements; electronic table games which accept gaming vouchers or coupons redeemed by gaming voucher system

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include slot accounting procedures designed to assure that the licensee's slot activities are accurately and timely recorded and reported. Specifically, the policies and procedures shall include, but not be limited to:

- (1) Identification of the specific types of gaming devices from which the revenue is considered slot revenue for reporting purposes.
- (2) The specific reports, by content and frequency, generated by the licensee's automated slot monitoring system, including the distribution thereof and the controls in place to maintain the integrity of the information contained therein.
- (3) The specific procedures utilized by the accounting department to review reports generated by the slot monitoring system and compare the information contained therein to supporting documents to include, but not be limited to:

- (a) Records of currency, coupons and gaming vouchers inserted for credit.
 - (b) Records of wagering activities from account based wagering reports.
 - (c) Records of wagering activities from electronic fund sources.
 - (d) Records of fills.
 - (e) Records of jackpot and credit meter payouts.
 - (f) Records of voucher payouts.
 - (g) The contents, as counted, of slot cash storage boxes.
 - (h) Variances reported in the slot cash storage box count process.
 - (i) Such other documents that support the reported activity of a slot machine or other electronic gaming device.
- (4) Its detailed procedures to investigate and resolve differences, identified by the accounting department, resulting from the comparisons identified in 205 CMR 138.44(3), including supervisory approval thereof.
- (5) Its detailed procedures to audit and account for the activities of its slot machines on a manual basis, in the event that the automated slot monitoring system is not functional.
- (6) The form and frequency of its completed slot revenue reports to include the specific information contained therein (for example, revenue by machine, revenue by denomination, etc.), in a manner that is consistent with other reporting requirements.

138.60: Payment of table game progressive payout wagers; supplemental wagers not paid from the table inventory

RESERVED

138.61: Slot machines and bill changers; authorized locations; movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions governing the movement and placement of slot machines and bill changers including, but not be limited to:

- (1) Each slot machine that is in a gaming area shall be:
- (a) Placed at an authorized location identified in the gaming area floor plan approved as part of the internal controls; and
 - (b) Identified on the Slot Machine Master List required in accordance with 205 CMR;
- (2) No slot machine or bill changer shall be removed from or returned to an authorized slot machine location in the gaming establishment or moved from one authorized slot machine

Comment [TMG9]: Reconcile with 205 CMR 145

location to another except in accordance with 205 CMR 145.00 and the internal control procedure approved in accordance with 205 CMR 138.00.

(3) Once a slot machine or bill changer has been placed in the gaming area, all movements of that machine and/or bill changer from or to a location shall be recorded by a slot department member in a machine movement log which shall include the following:

- (a) The manufacturer's serial number and the asset number of the moved slot machine and/or bill changer;
- (b) Whether the slot machine is equipped for tokenization, and if so, the denomination of the slot machine;
- (c) The date and time of movement of the slot machine and/or bill changer;
- (d) The location from which the slot machine and/or bill changer was moved;
- (e) The location to which the slot machine and/or bill changer was moved; and
- (f) The signatures of the slot shift manager and the lead technician verifying the movement of the slot machine and/or bill changer.

(4) Prior to removing a slot machine from the gaming area:

- (a) The machine's slot drop bucket or slot drop box shall be removed and transported to the count room;
- (b) All meters shall be read and recorded in conformity with the procedures set forth in 205 CMR 138. ;
- (c) Any coins or slot tokens in any of the slot machine's hoppers or in the corresponding hopper storage area shall be removed, transported, and counted with the slot drop bucket or slot drop box; provided, however, that a slot machine may be removed from the gaming establishment with coins or slot tokens contained therein so long as:

- (1) Removal of the coins or the slot tokens, or any combination thereof, is precluded by mechanical or electrical difficulty;
- (2) The gaming licensee records in a slot machine movement log whether coins or slot tokens remain in the slot machine that is removed from the gaming establishment, and also records in that log the nature of the mechanical or electrical difficulty, the date and time that the coins or slot tokens are removed from the slot machine and transported to the count room, the date and time that the slot machine is removed from the gaming establishment, and the date and time that the slot machine is opened; and
- (3) The removal and transportation to the count room of the coins or slot tokens is completed immediately after the slot machine is opened;

(d) Any prize tokens in a payout-only hopper, in a reserve hopper or in a corresponding hopper storage area shall be removed, transported and counted in accordance with the

internal controls system submitted and approved in accordance with 205 CMR 138. ;

- (e) On a slot machine equipped for tokenization pursuant to these regulations, any credits remaining on the slot machine shall be cancelled in a manner specified in the internal controls; and
- (f) On a slot machine that utilizes non-cashable slot credits or non-cashable electronic transfer credits, any such credits remaining on the slot machine shall be cancelled in a manner outlined in the internal controls.

(5) Prior to removing a bill changer from the gaming area, the slot cash storage box shall be removed and transported to the count room and all meters except the cash box meter shall be read and recorded in conformity with the internal controls. A bill changer may be removed from the gaming area with currency, gaming vouchers, or coupons contained therein when removal of the slot cash storage box is precluded by mechanical or electrical difficulty. If currency, gaming vouchers, or coupons remain in a bill changer when it is removed from the gaming area, this fact and the date and time that the slot cash storage box or, if necessary, currency, gaming vouchers, or coupons are removed from the bill changer and transported to the count room shall be recorded in the machine movement log.

138.62: Accounting controls for chip persons and chip

RESERVED

138.63: Gaming vouchers; physical characteristics; procedures for issuance and redemption

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions governing gaming vouchers to include, but not be limited to, the following provisions:

- (1) In conjunction with, or in lieu of, the requirements in 205 CMR 138. for a hopper and either a slot drop bucket or slot drop box, a gaming licensee may issue a gaming voucher to automatically pay a jackpot or the amount on a credit meter, which voucher shall be dispensed automatically from a slot machine to a patron, provided that:
 - (a) The slot machine is connected to a computerized gaming voucher system (“system”) registered in accordance with 205 CMR 144.00;
 - (b) The design specifications of the gaming voucher shall comply with the requirements of 205 CMR(b);
 - (c) Each gaming voucher is redeemable only in accordance with the requirements of 205 CMR(c) through (e) and shall, except as otherwise provided expire one year from its date of issuance, provided however, that nothing shall preclude a gaming licensee from

restricting the redemption location for a gaming voucher after a specified period of time, above a specified value, or both, provided that adequate written notice explaining the restriction or restrictions, is provided to patrons in accordance with 205 CMR(b)8;

- (d) Except as permitted by 205 CMR(a)4i, no gaming voucher shall result in a deduction from gross revenue unless the voucher is redeemed, the system is used to verify the validity of the serial number and value of the voucher, which verification shall be performed upon redemption except as provided in 205 CMR(d)5 through 7, and the voucher is forwarded to and accepted by the accounting department;
- (e) Consistent with the provisions of 205 CMR (g)1v(3), a gaming licensee may obtain a deduction from gross gaming revenue for an unverified gaming voucher in its physical possession provided that the gaming licensee:
 - (1) Investigates the unverified gaming voucher and records the information required by 205 CMR(d)14ii;
 - (2) Establishes that it paid the presenting patron the stated value of the gaming voucher in redemption thereof and did not pay any other patron in redemption of the voucher; and
 - (3) Produces sufficient documentation from its gaming voucher system or related systems to establish that the gaming voucher was validly issued by the gaming voucher system;
- (f) In addition to the requirements of 205 CMR (a)4, no gaming voucher redeemed at a slot machine shall result in a deduction from gross gaming revenue unless the gaming voucher is counted in the count room; and

(2) Each gaming voucher shall be designed and manufactured with sufficient graphics or other security measures, so as to permit, to the greatest extent possible, the proper verification of the voucher. Notwithstanding the foregoing, each gaming voucher shall contain, at a minimum, the following information:

- (a) The name or trade name of the gaming licensee, and if the gaming licensee is affiliated with a casino in any other jurisdiction with an identical or similar name or trade name, the words "Massachusetts" or the name of the host community of the gaming establishment;
- (b) The date and time of issuance;
- (c) The value of the voucher, printed in both numbers and words;
- (d) A conspicuous notice that the voucher must be redeemed within one year of the date of its issuance or the obligation of the gaming licensee to pay the patron will expire;

- (e) A unique validation number, which the gaming voucher system shall cause to be automatically generated in accordance with these regulations and shall also include a method of identifying the casino licensee issuing the voucher;
- (f) The asset number of the slot machine dispensing the voucher;
- (g) At least one anti-counterfeiting measure, which shall appear on one or both sides of the voucher;
- (h) The locations where the voucher may be redeemed and any restriction regarding redemption in accordance with 205 CMR (a)3; and
- (i) A bar code or magnetic strip which shall enable the system to identify the numeric information in 205 CMR(b)1 through 5 when the voucher is subsequently presented for redemption.

(3) Except as provided in 205 CMR (i) for employee redemption of gaming vouchers, each gaming voucher shall be redeemed by a patron for a specific value of cash, a casino check of that gaming licensee in the amount of the gaming voucher surrendered, gaming voucher credits, or slot tokens, which value shall not exceed \$10,000. Notwithstanding the forgoing, a gaming licensee shall not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or reasonably should know, that:

- (a) The gaming voucher is materially different from the sample of the gaming voucher approved as part of its internal controls;
- (b) The gaming voucher was previously redeemed or has expired; or
- (c) The gaming voucher was printed as a result of testing activity.

(4) Prior to the redemption of a gaming voucher, the complete validation number of the unredeemed voucher shall be visible and displayed only on the original gaming voucher and any corresponding gaming voucher error receipt. The complete validation number of an unredeemed voucher shall also be recorded and maintained in the gaming voucher system, but the random digits required to be concealed shall not be visible in any computer menu, display, printout or written report.

- (5)
- (a) Except as otherwise provided in 205 CMR(d)4 with regard to the receipt or discovery of a suspicious gaming voucher, a general cashier, slot cashier, gaming voucher redemption machine or slot machine shall, upon the presentation of a gaming voucher for redemption, scan the gaming voucher into the gaming voucher system to verify the validity of the gaming voucher, including its validation number, value and date of expiration. If the gaming voucher is valid, the gaming voucher system shall immediately cancel the voucher electronically and permit the redemption of such voucher for the value printed thereon.

- (b) At the end of each shift, gaming vouchers redeemed by a general cashier or slot cashier and verified and electronically cancelled by the gaming voucher system shall be transferred to the main bank or master coin bank separately from all other inventory items.
 - (c) Gaming vouchers presented for redemption at a slot machine shall be transported to the count room in accordance with 205 CMR 138.. Gaming vouchers presented for redemption at a gaming voucher redemption machine shall be transported to a count room or the cashiers' cage or a secure area.
 - (d) The redemption of any gaming voucher for which the unredeemed gaming voucher record is not stored in the system shall not result in a deduction from gross gaming revenue, unless the internal controls require that, prior to redemption, the unredeemed gaming voucher record be reloaded into the system, and the validity of the validation number and value of the voucher be subsequently verified by the system.
- (6) A gaming licensee shall maintain a record of all transactions in the gaming voucher system for a period of time specified in the gaming licensee's internal controls, which period shall not be less than 90 days from the date that the gaming voucher was redeemed, voided in the system or expired, provided that any such records removed from the system after 90 days shall be stored and controlled in a manner.
- (7) At the end of each gaming day, the gaming voucher system shall generate reports which reports may be generated by the accounting department if they are not susceptible to alteration or deletion or provided to the accounting department by the MIS department. The accounting department shall utilize the reports for purposes of the reconciliation required by 205 CMR(h). Such reports shall contain the following information, at a minimum:
- (a) All gaming vouchers that have been issued by each slot machine, including at a minimum, the asset number of the slot machine and the value, date and time of issuance of each voucher;
 - (b) All gaming vouchers that have been redeemed and canceled by each slot machine, gaming voucher redemption machine or other redemption location, including at a minimum:
 - (1) The asset number of the slot machine or gaming voucher redemption machine;
 - (2) The location if other than a slot machine or gaming voucher redemption machine;
 - (3) The validation number, value, date and time of redemption of each gaming voucher;
 - (4) The total value of all gaming vouchers redeemed at slot machines;
 - (5) The total value of all gaming vouchers redeemed at gaming voucher redemption machines; and

- (6) The total value of all gaming vouchers redeemed at locations other than slot machines or gaming voucher redemption machines;
 - (c) All gaming vouchers that expired including, at a minimum, the validation number, value, date of issuance and date of expiration;
 - (d) The unredeemed liability for gaming vouchers;
 - (e) If the system is approved to record meter readings, the readings of the slot machine meters, and a comparison of such readings to the number and value of issued and redeemed gaming vouchers, as applicable; and
 - (f) Exception reports and audit logs.
- (8)
- (a) A gaming licensee shall, in accordance with 205 CRM (d)4i, ii and iii, immediately report to the commission and IEB, using a three-part form, (suspicious gaming voucher report) at a minimum, any suspicious gaming voucher that is presented for redemption or otherwise discovered; provided, however, that nothing herein shall preclude a gaming licensee from issuing the presenting patron a gaming voucher receipt in accordance with 205 CMR (d)8. The suspicious gaming voucher report shall be completed by a cage/slot cashier supervisor and shall contain, at a minimum, the following:
 - (1) (No change.)
 - (2) The issuance date and validation number of the suspicious gaming voucher;
 - (3) The location at which the suspicious gaming voucher was presented or discovered;
 - (4) The name and license number of the employee who received or discovered the suspicious gaming voucher;
 - (5) If applicable and available, the name and address of the patron who presented the suspicious gaming voucher;
 - (6) The reason(s) the gaming voucher was considered to be suspicious including, if applicable, the exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;
 - (7) If there is evidence that the gaming voucher was previously redeemed, the date, value and location of the previous redemption;
 - (8) The signature and license number of the cage/slot cashier supervisor preparing the report; and
 - (9) The signature and license number of the casino security department member responsible for distributing the report pursuant to 205 CMR (d)4iii.
 - (b) The cage/slot cashier supervisor who completes the suspicious gaming voucher report shall make two copies of the suspicious gaming voucher, sign all copies of the suspicious gaming voucher report, and forward the original and two copies of the gaming voucher

together with the signed, three-part suspicious gaming voucher report to a casino security department member for distribution.

(c) The casino security department member who receives the documents pursuant to 205 CMR (d)4ii shall:

- (1) Sign all copies of the suspicious gaming voucher report;
- (2) Place the original suspicious gaming voucher and the duplicate copy of the suspicious gaming voucher report in a sealed envelope, secure the envelope until it is picked up by the IEB, and immediately notify the IEB that the suspicious gaming voucher had been presented or discovered;
- (3) Forward a copy of the suspicious gaming voucher and the triplicate copy of the suspicious gaming voucher report to the director of the IEB; and
- (4) Place a copy of the suspicious gaming voucher and the original copy of the suspicious gaming voucher report in a locked accounting box located in the main bank or master coin bank.

(d) Notwithstanding the requirements of 205 CMR(d)1, if the gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of a gaming voucher, a gaming licensee may redeem a gaming voucher without first verifying its validity and without immediately canceling the voucher electronically in the system (unscanned gaming voucher) provided that:

- (1) The gaming voucher has not expired;
- (2) The voucher is redeemed by a general cashier or slot cashier or above, at a location identified in the internal controls;
- (3) If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:
 - (a) The name of the patron; and
 - (b) The initials and license number of the cashier or supervisor who identified the patron;
- (4) The voucher is physically canceled in a manner prescribed by the internal controls and physically segregated and secured until it is scanned by the cashier or supervisor pursuant to 205 CMR (d)6iv or transferred to the main bank or master coin bank pursuant to 205 CMR (d)6vi;
- (5) Any unscanned gaming voucher that is subsequently scanned during the cashier's shift and verified and electronically canceled in the system shall thereafter be processed

together with the gaming vouchers redeemed during the shift pursuant to 205 CMR (d)1 above;

(6) Unscanned gaming vouchers remaining at the end of a cashier's shift shall be recorded on a form (unscanned gaming voucher transfer form), which with commission approval may be combined with any other form(s) utilized by a cashier to transfer documents or paperwork, and shall contain, at a minimum, the following:

- (a) The gaming date, shift and time of preparation;
- (b) The total number and value of unscanned gaming vouchers redeemed during the cashier's shift; and
- (c) The signature and license number of the cashier preparing the form;

(7) The unscanned gaming voucher transfer form shall be transferred with the corresponding unscanned gaming vouchers to the main bank or master coin bank at the end of the cashier's shift;

(8) Unscanned gaming vouchers transferred to the main bank or master coin bank shall remain in the main bank or master coin bank, where they shall be secured in a locked compartment, with access to the key limited to department supervisors, subject to the requirement that such vouchers be scanned or voided in the system within seven days;

(9) Unscanned gaming vouchers that are subsequently scanned in the main bank or master coin bank and verified and electronically canceled in the system subsequent to the cashier's shift during which they were redeemed shall be processed together with the gaming vouchers redeemed during the gaming day on which they were scanned pursuant to 205 CMR (d)1 above; and

(10) Unscanned gaming vouchers that the system fails to verify and electronically cancel when they are subsequently scanned shall be treated as unverified gaming vouchers.

(a) If they are scanned during the cashier's shift during which they were redeemed, they shall be recorded and transferred in accordance with 205 CMR (d)8 and 9.

(b) If they are scanned in the main bank or master coin bank, a supervisor shall prepare an unverified gaming voucher transfer form summarizing the number and total value of the unverified gaming vouchers, and they shall be transferred to accounting in accordance with 205 CMR (d)10.

(e) Notwithstanding the requirements of 205 CMR (d)1, a gaming licensee may redeem a gaming voucher that the gaming voucher system fails to verify and electronically cancel when it is scanned (unverified gaming voucher) provided that:

- (1) The gaming voucher has not expired;
 - (2) The voucher is redeemed by a general cashier or slot cashier or at a location identified for such purposes in the internal controls;
 - (3) If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:
 - (a) The name of the patron; and
 - (b) The initials and license number of the cashier or supervisor who identified the patron;
 - (4) The voucher is physically cancelled in a manner described in the internal controls; and
 - (5) The voucher is physically segregated and secured with other unverified gaming vouchers until transferred to the main bank or master coin bank in accordance with 205 CMR (d)8 and 9; provided, however, that nothing shall preclude the cashier or supervisor from re-scanning an unverified gaming voucher during the cashier's shift, and if the gaming voucher is verified and electronically cancelled in the system when it is re-scanned, the gaming voucher shall thereafter be processed with the gaming vouchers redeemed during the shift pursuant to 205 CMR (d)1.
- (f) If a gaming licensee elects not to redeem an unverified gaming voucher, the gaming licensee shall:
- (1) Retain the voucher;
 - (2) Require a general cashier or slot cashier or above to prepare a two-part receipt (gaming voucher receipt) containing, at a minimum, the following:
 - (a) The gaming date, shift and time of preparation;
 - (b) The validation number and stated value of the gaming voucher;
 - (c) The location at which the gaming voucher was presented for redemption;
 - (d) The name and address of the patron who presented the gaming voucher; and
 - (e) The name, license number and signature of the cashier or supervisor thereof preparing the gaming voucher receipt; and
 - (f) Distribute the completed gaming voucher receipt as follows:
 - (1) The original shall be attached to the corresponding unverified gaming voucher and transferred to the main bank or master coin bank at the end of the cashier's shift; and
 - (2) The duplicate shall be presented to the patron.

(9)

- (a) Unverified gaming vouchers redeemed or retained during a cashier's shift pursuant to 205 CMR (d)6 and 7 shall be recorded on a form (unverified gaming voucher transfer form), which with commission approval may be combined with any other form(s) utilized by a cashier to transfer documents or paperwork, and shall contain, at a minimum, the following:
- (1) The gaming date, shift and time of preparation;
 - (2) The total number and value of unverified gaming vouchers redeemed or retained during the cashier's shift; and
 - (3) The signature and license number of the cashier preparing the form.
- (b) The unverified gaming voucher transfer form shall be transferred with the corresponding unverified gaming vouchers to the main bank or master coin bank at the end of the cashier's shift.
- (c) At the end of each gaming day, all unverified gaming vouchers redeemed or retained pursuant to 205 CMR (d)6 and 7 shall be transferred to accounting with the corresponding unverified gaming voucher transfer form, where they shall be separately accounted for.
- (d) If, in the course of an investigation conducted pursuant to 205 CMR (d)12 and 13, an unverified gaming voucher that was retained but not redeemed pursuant to 205 CMR (d)7 is determined to be valid, the gaming licensee shall pay the patron identified on the corresponding gaming voucher receipt in redemption of the gaming voucher.
- (e) A gaming licensee shall investigate all unverified gaming vouchers for which it seeks a deduction from gross revenue pursuant to 205 CMR (a)4i, all unverified gaming vouchers that it elects not to redeem pursuant to 205 CMR (d)7 and, if necessary, a sufficient number of unverified gaming vouchers that it redeems pursuant to 205 CMR (d)6 to represent a 10 percent sample of all unverified gaming vouchers. The investigation shall be conducted by the department responsible for the operation of slot machines and/or accounting in consultation, as necessary, with the MIS department to determine the reason the gaming voucher system failed to verify and electronically cancel the gaming vouchers.
- (f) The results of each investigation conducted pursuant to 205 CMR (d)12 shall be recorded in a log (unverified gaming voucher log) that shall contain, at a minimum, the following:
- (1) The gaming date, shift and time of preparation;
 - (2) As to each unverified gaming voucher, the following:
 - (a) The issuance date and validation number of the voucher;
 - (b) The stated value of the voucher;
 - (c) The date the voucher was presented for redemption;

- (d) If redeemed, the amount paid to the patron;
- (e) The name of the patron if the voucher was redeemed for more than \$500.00;
- (f) The location at which the voucher was redeemed;
- (g) The exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;
- (h) The manufacturer, product type and asset number of the slot machine that issued the gaming voucher;
- (i) If applicable, the manufacturer, product type and asset number of the slot machine or gaming voucher redemption machine that failed to properly redeem the gaming voucher; and
- (j) The actual reason that the system failed to verify and electronically cancel the gaming voucher or, if the actual reason cannot be determined after a diligent investigation, the probable reason; and

(3) The signature and license number of the employee preparing the log.

(g) If the unverified gaming voucher log is not prepared by accounting, the original log shall be transferred to accounting within 48 hours. A copy of the log shall be maintained by the preparer of the log, and a copy shall be forwarded to the IEB agent on duty.

(h) The gaming licensee shall, in accordance with the schedule set forth in 205 CMR (d)16, summarize the results of the investigations recorded on unverified gaming voucher logs in a report (unverified gaming voucher log summary report) that includes, at a minimum, the following:

- (1) The total number of unverified gaming vouchers that were, as applicable, issued or rejected for redemption, listed and grouped by the product type of each slot machine manufacturer or gaming voucher redemption machine manufacturer; and
- (2) The total number and value of unverified gaming vouchers listed and grouped by the reported actual or probable cause for the failure of the system to verify and electronically cancel the vouchers.

(i) An unverified gaming voucher log summary report shall be filed twice a month with the director of the IEB, and all supporting documentation shall be retained. The first report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 1st to the 15th of the month and shall be filed on or before the end of the month. The second report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 16th to the end of the month and shall be filed on or before the 15th of the following month.

(j) Any unverified gaming voucher determined to be a suspicious gaming voucher in the course of the investigation conducted pursuant to 205 CMR(d)12 above shall be transmitted to the IEB with the IEB's copy of the corresponding unverified gaming

voucher log summary report, and a copy of the suspicious gaming voucher shall be retained by accounting. All remaining unverified gaming vouchers shall be retained by the gaming licensee in accordance with 205 CMR .

- (10) Notwithstanding the requirements of 205 CMR(d)1, upon presentation of a gaming voucher for redemption at a slot machine, the total value of which voucher cannot be completely converted into slot credits due to the denomination of the slot machine, the slot machine shall perform one of the following procedures, as specified in the internal controls:
 - (a) The slot machine shall store the value of that portion of the gaming voucher that cannot be converted into slot credits in the memory of the slot machine and return the stored value along with any other slot credits belonging to the patron when the patron cashes out; or
 - (b) Automatically issue a new gaming voucher containing the value that cannot be completely converted, either immediately or upon the patron's request; or
 - (c) Not redeem the gaming voucher and immediately return the voucher to the patron; or
 - (d) Comply with the provisions of 205 CMR (d)18i.
- (11) A gaming licensee that issues a gaming voucher in lieu of equipping a slot machine with a hopper shall have a slot monitoring system with the capability to preclude the generation of a Hopper Fill for such slot machine, with no cashier having the ability to override such restriction, and shall have identify in its internal controls by whom and the manner by which the non-hopper feature is enabled and to identify slot machines with a hopper separately from those without a hopper to ensure the proper collection, recordation, and reconciliation of gross revenue.
- (12) Notwithstanding the requirements of 205 CMR(d), if a patron requests by mail to redeem a gaming voucher in any value the gaming licensee may effectuate such redemption, however, only by a cage supervisor, in accordance with its internal controls which shall include, at a minimum, the following:
 - (a) Procedures for using the system to verify the validity of the serial number and value of the voucher, which, if valid, shall be immediately canceled electronically by the system; and
 - (b) Procedures for the issuance of a casino check containing the value of the voucher.
- (13) Any amount paid to a patron in redemption of an unverified gaming voucher shall not be required to be recorded as a cash complimentary.
- (14) On a daily basis, with the exception of unscanned gaming vouchers held by the main bank or master coin bank for subsequent scanning pursuant to 205 CMR (d)6vii, all gaming vouchers shall be counted and transported to the accounting department in the following manner:

- (a) All gaming vouchers redeemed by a bill changer shall be counted in the count room in accordance with these regulations and shall be transported to the accounting department upon conclusion of the count process.
 - (b) All gaming vouchers redeemed at a gaming voucher redemption machine shall be counted in accordance with approved internal controls in a count room in accordance with these regulations or at the cashier's cage in accordance with these regulations, documented on a Balance Receipt by a main bank or master coin bank cashier and thereafter transported to the accounting department separate from all other inventory items.
 - (c) If the gaming vouchers have been counted in a count room, the main bank or master coin bank shall perform a piece count of 10 percent of the number of strapped gaming vouchers and, if in agreement, record the value of all gaming vouchers, currency and coupons, as a credit. The gaming vouchers shall be transported with the Original Balance Receipt to the accounting department, and the currency shall be transported with the duplicate Balance Receipt to the main bank or master coin bank.
 - (d) All gaming vouchers redeemed at a cashiering location shall be counted by the main bank or master coin bank, and [a] either:
 - (1) An accounting representative shall, prior to accepting a transfer of the vouchers, perform a piece count of the vouchers being transferred, compare the result of such count to a record of all vouchers recorded [as credits] by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon. All gaming vouchers shall be then transported to the accounting department;
 - or
 - (2) An accounting representative shall sign a document acknowledging receipt of the vouchers, transport the vouchers in a sealed bag to the accounting department, perform a piece count of the vouchers, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon.
- (15) Accounting department representatives with no incompatible functions shall perform, at a minimum, the following:
- (a) On a daily basis:
 - (1) Review for the propriety of signatures and all other information on gaming voucher documentation as required in accordance with 205 CMR;

- (2) Compare gaming voucher system reports to gaming vouchers received in accordance with 205 CMR(g) to ensure proper electronic cancellation of gaming vouchers;
- (3) Calculate the unredeemed liability for gaming vouchers, such as by reconciling the total number and value of redeemed gaming vouchers to the total number and value of gaming vouchers issued through the use of system reports generated in accordance with the requirements of 205 CMR (d)4iii, unless the system performs the calculation in a manner approved by the Commission;
- (4) Calculate the cumulative total value of gaming vouchers that have expired during the current calendar month;
- (5) Unless the gaming licensee utilizes counting equipment in its cashiers' cage or count room that enables its gaming voucher system to verify the serial number and obtain the value of gaming vouchers redeemed at locations other than slot machines, reconcile the serial number and value of gaming vouchers to the system report(s) generated pursuant to 205 CMR (d)4, by examining:
 - (a) No less than five percent of all gaming vouchers redeemed at such locations; or
 - (b) A random sample of all gaming vouchers redeemed at such locations, provided, however, that the random sample shall have a statistical confidence level of 95 percent with a precision of plus or minus two percent and that the Commission shall have approved the procedures for selecting the sample size and for assuring a proper selection of the sample.
- (6) Verify that the accounting department has received:
 - (a) The closing paperwork for each cashier and supervisor who redeemed gaming vouchers during the gaming day; and
 - (b) The Balance Receipt prepared for each gaming voucher redemption machine in conjunction with the bill validator drop performed at the end of the gaming day.
- (7) Complete the Slot Win Report for the recordation of all gaming voucher revenue and deductions for gaming vouchers redeemed in accordance with the following:
 - (a) Gaming voucher drop shall be the greater of the value of gaming vouchers redeemed, as recorded on the gaming voucher system report required by 205 CMR (d)4ii, or the value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, provided, however, that unsecured gaming vouchers shall be separately reported on the Slot Win Report in accordance with these regulations;
 - (b) Deductions for gaming voucher redemptions by a bill changer or at a cashiering location shall be the lesser of the value, as recorded on the gaming voucher system

report required by 205 CMR (d)4ii, or the total value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report plus the value of gaming vouchers transferred in accordance with 205 CMR(g) above.

Deductions for gaming voucher redemptions by a gaming voucher redemption machine shall be calculated in accordance with these regulations and

- (c) No adjustment shall be made to the amounts recorded on the Slot Win Report in accordance with 205 CMR(g)1v(1) and (2) unless the reason for the adjustment is adequately documented by the accounting department and the adjustment is necessary in order to accurately report the gaming licensee's gross gaming revenue; and

- (8) Attach or file with the Slot Win Report for the applicable gaming day any system reports and other items approved in the casino licensee's internal controls as supporting documentation;

(b) On a weekly basis:

- (1) Compare the readings of the slot machine meters required pursuant to these regulations to the number and value of issued and redeemed gaming vouchers, as applicable; and
- (2) Review exception reports and audit logs;

(c) On a monthly basis

- (1) Prepare the report
- (2) Sign each system report or item reviewed in accordance with internal controls attesting to the accuracy of the information recorded thereon; and
- (3) Maintain and control redeemed gaming vouchers until destruction.

(16) No adjustment to the value of any gaming voucher shall be made without the approval of the commission or IEB.

(17) Employees of a gaming licensee who are authorized to receive gaming vouchers as personal gratuities may redeem the gaming vouchers only at the cashiers' cage or a slot booth, subject to the terms and conditions set forth in 205 CMR (c) and (d). Gaming vouchers valued at more than \$100 shall be redeemed at the cashiers' cage only with the approval of the supervisor of the cashier conducting the redemption transaction.

138.64: Accounting controls for gaming voucher redemption machines

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include a detailed description of its policies and procedures governing the

Comment [TMG10]: Alternative to previous sections?

reconciliation of the contents of its gaming voucher redemption machines, which, at a minimum, shall address:

- (1) The procedures and forms, along with a description of the employees who must sign the form, used by the cage to record currency cassette/coin hopper cash fills for the gaming voucher redemption machines;
- (2) The procedures and forms used, along with a description of the employees who must sign the form, for issuance of such cash fills and the department which will be responsible for performing the cash fills;
- (3) The procedures followed by the employee performing the fill with respect to signing out the keys to unlock the cabinets of the automated gaming voucher machines;
- (4) The procedures utilized for removing and replacing currency cassettes, currency cassette reject bins, coin hoppers/coin hopper fills and the information to be recorded on the receipts generated by the machines to record the fill and any forms used, along with a description of the employees who must sign the form, with respect to completion of the fill;
- (5) The procedures followed by the cage for counting and recording the value of the remaining contents of the returned currency cassettes, currency cassette reject bins, coin hoppers or any returned coin from the machines and any forms used, along with a description of the employees who must sign the form with respect to recording the inventory balance;
- (6) A description of which of the forms utilized in these procedures will be forwarded to the accounting department at the end of each gaming day;
- (7) The procedure utilized by the cage to obtain an inventory report from each gaming voucher redemption machine to determine the starting inventory amount for the machine and the information recorded on the inventory report;
- (8) The procedures followed by the accounting department for reconciliation of the change in the contents of the gaming voucher machines, including the generation of a report from each gaming voucher redemption machine that documents each transaction conducted at the machine to confirm that it agrees with the forms completed and receipts generated with respect to the fills and count recorded as to the value of the remaining contents of the machines;
- (9) The frequency in which the contents of all currency cassettes and coin hoppers shall be counted and the method for recording the reconciliation of cash contained therein and the method of recording such reconciliation and reporting any variances to the commission; and

(10) Procedures to ensure that a record of the number of gaming voucher redemption machines in service at any time, and the frequency in which the contents thereof shall be emptied and reconciled, is provided to the commission.

138.65: Computerized gaming voucher systems; required procedures

Comment [TMG11]: Reconcile with slots regs

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions governing a computerized gaming voucher system for the redemption of gaming vouchers that, at a minimum, incorporate the following:

- (1) In order to issue or redeem gaming vouchers a gaming licensee shall operate a computerized gaming voucher system. Each slot machine, gaming voucher redemption machine and other location that redeems gaming vouchers shall be connected to such a system, provided that no slot machine, gaming voucher redemption machine or other redemption location may be connected to, or disconnected from, such a system without prior written approval of the commission to connect or disconnect each slot machine and other redemption location. If the system is used by a gaming voucher redemption machine or count room equipment to obtain the value of a gaming voucher, the system shall perform a calculation or integrity check of the value of each gaming voucher. In the case of a gaming voucher redemption machine, the calculation or integrity check shall be performed prior to permitting the gaming voucher to be redeemed by the gaming voucher redemption machine.
- (2) All aspects of a system, including all hardware and software utilized therein, shall be subject to testing by the IEB and review and approval by the commission prior to the implementation of the system by the gaming licensee and following implementation, prior to any changes thereto.
- (3) Each system shall perform the following functions, at a minimum, in order to control logical access to the system:
 - (a) Generate daily monitoring logs of user access, security incidents and unusual transactions, and immediately notify the MIS department of critical security incidents and unusual transactions;
 - (b) Be capable of assigning rights and privileges to each user, including:
 - (1) Allowance for the secure administration of a unique system account for each user to provide an adequate segregation of duties; and
 - (2) Contain adequate password parameters such as lockout, minimum length, and expiration interval;
 - (c) Use appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and
 - (d) Utilize encryption for files and directories containing critical or sensitive data, which at a minimum shall include the unredeemed gaming voucher record. Notwithstanding the foregoing, in lieu of utilizing encryption for files and directories containing critical or sensitive data, the system shall be designed to permit, and the gaming licensee shall

implement, internal controls to restrict users from viewing the contents of such files and directories, which internal controls shall, at a minimum, provide for the following:

- (1) The effective segregation of duties and responsibilities with regard to the system in the MIS department; and
- (2) The automatic monitoring and recording by the system of access by any person to such files and directories.

(4) Each system shall perform the following functions, at a minimum, in order to control system operations:

- (a) Generate daily monitoring logs and alert messages for system performance, hardware problems, and software errors;
- (b) Authenticate the identity of a slot machine, gaming voucher redemption machine or other redemption location from which a transmission of data is received;
- (c) Ensure that all data sent through a transmission is completely and accurately received;
- (d) Detect the presence of corrupt or lost data packets and, as necessary, reject the transmission; and
- (e) Utilize an appropriate cryptographic system, such as public/private key encryption, for all critical transmissions of data, such as transmissions that include a gaming voucher validation number, slot machine meter information, or any other information used in the calculation or verification of gross revenue.

(5) Each system shall perform the following functions, at a minimum, in order to control the integrity of data:

- (a) Cause a unique validation number to be generated for each gaming voucher, which validation number shall:
 - (1) Be comprised of at least eighteen numbers, symbols or characters;
 - (2) Be created in a manner which prevents a person from being able to determine the composition of the number or to predict the composition of any other validation number generated by the system, and shall either:
 - (a) Contain at least three numbers, symbols or characters randomly generated in a manner approved by the Commission, which numbers, symbols or characters shall not be visible or displayed in any computer menu, display, printout or written report of an unredeemed voucher; or
 - (b) Be generated by an alternate method approved by the Commission, in which case not more than the first or the last six numbers, symbols or characters of the number shall be visible or displayed in any computer menu, display, printout or written report;
 - (3) Contain at least one number, symbol or character to visually differentiate a gaming voucher from a coupon issued pursuant to these regulations; and

- (4) Be printed in at least two locations on each gaming voucher;
 - (b) Generate a date of issuance and corresponding date of expiration for each gaming voucher;
 - (c) Validate the data type and format of all inputs to critical fields and reject any corrupt data;
 - (d) Provide for the automatic and independent recordation of critical data upon gaming voucher generation and redemption, including at a minimum, the information specified in these regulations.
 - (e) Provide for verification of the information contained on a gaming voucher presented for redemption and the unredeemed gaming voucher record to a source that separately records and maintains transaction data, such as an automated transaction log, or such other compensating procedure identified in the internal controls, which procedure shall:
 - (1) Independently verify the accuracy of the gaming voucher validation number, its value, and that the gaming voucher has not expired prior to its redemption; and
 - (2) Not be used to satisfy any other requirements of this chapter; and
 - (f) Segregate all security critical system programs, files and directories from all other programs and files and directories contained in the system.
- (6) Each system shall be equipped with the following, at a minimum, in order to address continuity:
- (a) Data redundancy, such as disk mirroring, which writes a complete and duplicate copy of all data on the primary disk to a secondary disk as it occurs, to permit a complete and prompt recovery of all information in the event of any malfunction;
 - (b) Environmental protection, such as an uninterruptible power supply, and fireproof and waterproof materials designed to protect critical hardware from a natural disaster; and
 - (c) A backup capability, which enables the gaming licensee to create, in accordance with procedures approved pursuant to 205 CMR (h)10, periodic backup copies of files and data on a removable storage device, such as magnetic tape, which shall be separate from the devices required in accordance with 205 CMR (f)1.
- (7) Each system shall immediately inform the gaming licensee of any malfunction. Following any malfunction of a system, the gaming licensee shall immediately notify the commission and IEB, and shall not utilize the system until the malfunction has been successfully repaired. Notwithstanding the foregoing, the commission or IEB may permit a gaming licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 72 hours, provided that:
- (a) The malfunction is limited to a single storage media device, such as a hard disk drive;
 - (b) In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system, which backup

device shall immediately and automatically replace the malfunctioning device, to permit a complete and prompt recovery of all information in the event of an additional malfunction; and

- (c) Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(8) The system of internal controls shall address the integrity, security and control of its system and shall, at a minimum, provide for the following:

- (a) Documentation of the system design and layout in both narrative and diagrammatic formats, user manuals, and a list of all configurable options and settings;
- (b) Copies of all documents generated in accordance with the requirements of 205 CMR (c)1 and (d)1;
- (c) Procedures for assigning a slot machine's asset number and identifying a gaming voucher redemption machine and other redemption locations in the system, and enabling and disabling voucher capabilities for such slot machines and redemption locations;
- (d) Procedures for issuance, modification, and termination of a unique system account for each user in accordance with the requirements of 205 CMR(c)2i;
- (e) Constraints used to configure and maintain user passwords in accordance with the requirements of 205 CMR (c)2ii;
- (f) Procedures for restricting special rights and privileges, such as "administrator" and override capabilities, in accordance with the requirements of 205 CMR (c)3;
- (g) The duties and responsibilities of the MIS, internal audit, slot and accounting departments, respectively, and the level of access for each position with regard to the system, in accordance with the requirements of 205 CMR (c)3;
- (h) Identification of all software files and directories, the location and a description of each, and the reports generated from such files, which software files, directories, and locations shall not be changed except in accordance with the provisions of 205 CMR (i);
- (i) A description of physical controls on all critical hardware such as locks and surveillance, including the location and security of each piece of equipment;
- (j) Procedures for the backup and timely recovery of critical data and failure analysis, in accordance with the requirements of 205 CMR (f)3;
- (k) Logs used to document and maintain the details of any hardware and software modifications upon implementation, which modifications shall be first approved in accordance with the provisions of 205 CMR (i) and thereafter performed in accordance with the requirements of 205 CMR (j); and
- (l) Procedures for reviewing the system's operation and, the adequacy and effectiveness of policies and procedures.

(9) Prior to implementing any programming change, upgrade, or hardware addition or replacement to an existing system, the gaming licensee shall provide at least 72 hours advanced written notice to the commission and IEB, except that the commission may permit a gaming licensee to change or upgrade non-critical software files or directories or hardware, as recommended by the IEB and specifically identified in the internal controls, provided that written notice shall be filed within 24 hours following the change. Any written notice filed by a gaming licensee shall include, without limitation, the following:

- (a) A description of the reasons for the proposed modification;
- (b) A list of the computer components and programs or versions to be modified or replaced;
- (c) A description of any screens, menus, reports, operating processes, configurable options, or settings that will be affected;
- (d) The method to be used to complete the proposed modification;
- (e) Date that the proposed modification will be installed and the estimated time for completion;
- (f) Name, title, and employer of the person(s) to perform the installation;
- (g) A diagrammatic representation of the proposed hardware design change;
- (h) Restriction on "update" access to the production code to the person implementing the modification; and
- (i) Procedures to ensure that user and operator manuals are updated to reflect changes in policies and procedures resulting from the proposed modification.

(10) Subject to any testing and approval by the commission upon receipt of the notification required by 205 CMR (i), modifications to the system shall be installed in the presence of an employee of the MIS department with no incompatible functions, and a IEB agent. Following completion of the modification, the gaming licensee shall generate a record detailing the modification on the system or, if the system does not have the capability of generating such a record. In the event the Commission determines that testing is required after the modification, the commission shall establish the terms and conditions of such a test.

(11) In order to obtain a determination from the commission that a system, as installed and configured by a gaming licensee, can accurately perform the functions set forth in 205 CMR (c) through (f), the gaming licensee shall, without limitation, perform the following:

- (a) Submit certifications from the manager of its MIS department and a qualifier of the company that manufactured the system, both initially and following any changes to the gaming voucher system, stating that the system, as installed and configured by the gaming licensee, can accurately perform the functions set forth in 205 CMR (c) through (f);
- (b) Successfully complete a minimum 60 day test of the system under terms and conditions established by the commission; and

(c) Provide access to the system to the commission in a manner and from such locations as approved by the commission.

(12) A gaming voucher system may also be utilized to redeem coupons issued provided that:

- (a) The gaming voucher system is able to establish the dollar value and validity of each coupon;
- (b) All coupon data and gaming voucher data in the system are contained in logically separate databases, provided however, that a single database may be used if:
 - (1) Coupon data and gaming voucher data are logically segregated from each other through the use of separate tables in the database or, alternatively, differentiated from each other by at least four fields within a table;
 - (2) Except as provided in 205 CMR 2v, until the insertion of a coupon into a bill changer or, alternatively, the insertion of a patron identification card into a card reader attached to a slot machine, no coupon data for that coupon or that patron shall be loaded into the gaming voucher system;
 - (3) Except as provided in 205 CMR 2v, prior to coupon data being loaded into the gaming voucher system, another computer system shall automatically verify the value and validity of each coupon, which verification shall include at a minimum, the comparison of the coupon's serial number and value to information contained in a coupon control file, provided that:
 - (a) The coupon control file is established and verified by the gaming licensee when the coupon offer is created;
 - (b) The comparison process used by the other gaming computer system and the coupon control file are appropriately segregated from other programs, files and directories contained in the other gaming computer system and are tested and approved in accordance with 205 CMR (b); and
 - (c) The coupon control file is protected from any changes through the use of encryption or digital signatures;
- (c) Except as provided in 205 CMR 2v, the gaming voucher system verifies each piece of coupon data received from the other casino computer system and precludes the acceptance of the data into the gaming voucher database if it contains any information not directly related to the validation of a coupon inserted into a bill changer or the insertion of a patron identification card into a card reader attached to a slot machine;
- (d) Data for a coupon not associated with a specific patron account or patron identification card at the time of its creation may be loaded into the gaming

voucher system not more than seven days prior to the effective date of the coupon. The serial numbers, dollar values and total number of all such redeemed coupons shall be verified in the count room after redemption by comparing the data in a secure copy of the coupon mail file used to create such coupons with the serial numbers, dollar values and total number of all such redeemed coupons counted and recorded in the count room;

- (e) If a verification required by 205 CMR 2iv is unsuccessful, the gaming voucher system automatically records the details of the failed verification in a log which shall include, at a minimum, the date, time, and if available, patron name, slot machine asset number and location, as well as all information received from the other casino computer system, which log shall be reviewed in accordance with the requirements of 205 CMR (1)4;
- (f) If a verification required by 205 CMR 2v is unsuccessful, a report is made of the failed verification, which shall include at a minimum, the date and time of creation, the date and time of redemption, patron name if available, slot machine asset number and location, serial number and dollar value of the coupon as created in the coupon mail file, and serial number and dollar value of the coupon as recorded and counted in the count room. This report shall be used by the accounting department and the IT department to immediately file an incident report with the commission and to promptly conduct an investigation of the variance to determine the actual or probable cause thereof; and
- (g) A report is generated of all expired coupons, containing at a minimum the serial number and dollar amount of each expired coupon, and such expired coupons together with all redeemed and voided coupons are purged from the gaming voucher system consistent with similar procedures for gaming vouchers.
- (h) The gaming voucher system precludes any person or process from changing coupon data into gaming voucher data, or vice versa, and if any such attempt occurs, the gaming voucher system automatically generates an alert notification to the surveillance department, and records the details of the attempt in a log which shall include, at a minimum, the date, time, user name and location, and all other available information regarding the coupon data or gaming voucher data, which log shall be reviewed in accordance with the requirements of 205 CMR (1)4;
- (i) The logs and reports required by 205 CMR (1)2 and 3 are reviewed on a daily basis by the MIS security officer, who shall promptly notify the commission of all logged events in a manner approved by the commission, respectively; and

- (j) The passwords required by 205 CMR (c)2 shall, at a minimum:
- (1) Contain at least six alphabetic and/or numeric characters and expire in no less than 90 days after creation;
 - (2) Be stored in an approved encrypted form so that a stored encrypted password shall not be retrievable or readable; and
 - (3) Immediately disallow any further attempts to access the system following no more than five consecutive failed attempts within no less than 30 minutes by a user account to obtain access to the system, by automatically disabling the user account. Each disabled user account shall be reviewed by the MIS security officer, which may thereafter reactivate the user account upon verifying the identity of the person.

Miscellaneous

138.66: Cashless wagering systems

RESERVED

138.67: Master lists of approved slot machines and table games, movements of gaming

equipment; amendments of operation certificates upon filing updated master

Comment [TMG12]: Reconcile with slots transport regs

(1) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each gaming licensee shall file with the IEB office in the gaming establishment comprehensive lists of:

- (a) The table games in its gaming establishment, if any (the Table Games Master List);
- (b) The slot machines and bill changers in its gaming area (the Slot Machine Master List);
- (c) The slot machines possessed by the gaming licensee in restricted areas of the gaming establishment outside of the gaming area; and
- (d) The slot machines possessed by the gaming licensee at locations in Massachusetts off the premises of its casino hotel facility.

(2) At a minimum, each list of slot machines required by 205 CMR (a)2 through 4 shall contain the following information, as applicable, which information shall be presented, for each slot machine and any accompanying bill changer on the Slot Machine Master List, in consecutive order by location number:

- (a) The date on which the list was prepared;
- (b) A description of each slot machine by:
 - (1) Asset, model and serial number;
 - (2) Computer program number;
 - (3) Denomination;
 - (4) Manufacturer and machine type, noting with particularity whether the machine is a high-boy, has a bill changer attached, is a progressive slot machine, or is equipped with tokenization;
 - (5) Whether the slot machine has an activated electronic transfer credit feature; and
 - (6) Whether the slot machine has an activated gaming voucher feature, and if so, whether such feature is in lieu of a hopper and either a slot drop bucket or slot drop box;
- (c) A cross reference for each slot machine by zone and serial number;
- (d) The restricted area of the gaming area where the slot machine is located for each slot machine included on the list;
- (e) The address of the slot machine storage facility where the slot machine is located for each slot machine included on the list required by 205 CMR (a)4; and
- (f) Such other information as the commission may require.

(3) At a minimum, each Table Game Master List shall contain the following information:

- (a) The date on which the list was prepared;
- (b) A description of each table by:
 - (1) Type of authorized game;
 - (2) Location number; and
 - (3) Serial and table number;and
- (c) Such other information as the commission may require.

(4) Whenever a gaming licensee proposes that gaming tables, slot machines or bill changers be brought into, removed from or moved within a gaming establishment, as applicable, the gaming licensee shall first:

- (a) Obtain any amendment to its operation certificate; and
- (b) Provide an authorized agent of the IEB with written notice at least 72 hours prior to the actual movement of each gaming table, slot machine and bill changer.

(5) Immediately after each gaming table, slot machine and bill changer is brought into, removed from or moved within a gaming establishment, the gaming licensee completing the move shall file and serve, in accordance with 205 CMR(a), updated master lists of its table games and slot machines to the extent that the move causes a change in the information contained on the most recent version of the applicable list on file with the commission. In addition, each gaming licensee shall, on a monthly basis, file updated lists of slot machines required pursuant to 205 CMR (a)2 through 4 with the commission.

(6) The number of each type of authorized game included in the gaming licensee's operation certificate or any approved amendments thereto shall be amended, upon the filing of an updated Table Games Master List or Slot Machine Master List, to conform to the correct number of each type of authorized game that is specified in the applicable list.

138.68: Signatures

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions relative to signatures required in accordance with the internal controls and 205 CMR in general that incorporate the following provisions:

(1) Signatures shall, at a minimum, comply with either of the following requirements:

- (a) Be, at a minimum, the signer's first initial, last name, and legible credential number, written by the signer, and be immediately adjacent to or above the clearly printed or preprinted title of the signer; or
- (b) Be the employee's identification number or other computer identification code issued to the employee by the gaming licensee, if the document to be signed is authorized to be generated by computer; and
- (c) Signify that the signer has personally prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the internal controls.

(b) Signature records shall be prepared for each person required to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be maintained alphabetically by last name either on a company-wide or departmental basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel.

(c) Signature records shall either be:

- (1) Securely stored in the accounting department; or

- (2) Stored in electronic form shall be maintained by the IT Department in a secure format so that such signature records can be promptly retrieved in the event of a computer failure.

138.69: Expiration of gaming-related obligations owed to patrons; payment to the Gaming

Revenue Fund

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include provisions governing the expiration of gaming-related obligations that provides that:

- (a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to Gaming Revenue Fund/Gaming Control Fund.
- (b) A gaming licensee shall maintain a record of all gaming-related obligations that have expired.

(2) Expiration of gaming-related obligations owed to patrons from the gaming licensee shall, before the end of each calendar month, be reported by the gaming licensee, in a format prescribed by the commission, the total value of gaming debts owed to its patrons that expired during the preceding calendar month.

- (a) Each gaming licensee shall submit a check with its monthly report payable to the Gaming Revenue Fund/Gaming Control Fund in the amount of the gaming debts owed to its patrons that expired during the preceding month as stated in the report.
- (b) Upon the payment of the expired debt in accordance with this section, the gaming licensee shall post the payment and remove its records as an outstanding debt.
- (c) Failure to make the payment to the Gaming Revenue Fund/Gaming Control Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR x.
- (d) Nothing in 205 CMR 138.x shall preclude the gaming licensee from, in its discretion, issuing a cash or other form of complimentary to a patron to compensate the patron for a gaming debt that has expired.

138.70: Entertainment, filming or photography within the casino and casino simulcasting facility

(1) No entertainment, filming or photography shall be offered or conducted within the gaming establishment, or shall be significantly visible or audible from or in the gaming establishment, unless the gaming licensee files a written notice with the IEB, at least five business days prior to the commencement of such entertainment, filming or photography, which notice shall include, at a minimum, the following information:

- (a) The date and time of the scheduled entertainment, filming or photography;
- (b) A detailed description of the type of entertainment, filming or photography to be offered;
- (c) The number of persons involved in the entertainment, filming or photography;
- (d) The exact location of the entertainment, filming or photography in the gaming establishment;
- (e) A description of any additional security measures that will be implemented as a result of the entertainment, filming or photography; and
- (f) A certification from the supervisors of the gaming licensee's security, gaming operations, and surveillance departments that the proposed entertainment, filming or photography will not adversely affect the security and integrity of gaming operations.

(2) The IEB may at any time require the gaming licensee to immediately cease any entertainment, filming or photography offered within the gaming establishment, if the entertainment, filming or photography provided is in any material manner different from the description contained in the submission filed pursuant to 205 CMR (a) or in any way compromises the security or integrity of gaming operations.

(3) In reviewing the initial or continued suitability of an entertainment, filming or photography proposal, the IEB shall consider the extent to which the entertainment, filming or photography proposal may unduly disrupt or interfere with:

- (a) Efficient gaming operations;
- (b) The security of the gaming establishment or any portion thereof;
- (c) Surveillance operations; or
- (d) The security or integrity of gaming operations or any authorized game

138.71: Technical standards for count room equipment

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall identify all equipment used in the counting process of the contents of drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes that include, at a minimum, the following provisions:

- (1) A detailed description of the design and use of the computer equipment and any communication interfaces related to the counting process;

Comment [TMG13]: Should this be in the gaming equipment section?

- (2) Names of all revenue files and who has access and what type of access they have to these files; and
- (3) Procedures for controlling changes to computer equipment, communication interfaces, configuration, and software which provide for, at a minimum, written or electronic notification in accordance with 205 CMR.

138.72: Failure to abide by approved system of internal controls

205 CMR 038: M.G.L. c. 23K, §§4(28), 5, and 25(d).

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